Weekend FT

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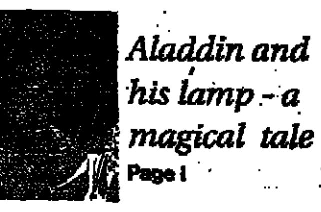

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# FINANCIAL TIMES

Europe's Business Newspaper — FRIDAY DECEMBER 24 1993 — D8523A


## Shares soar as European bourses reach new highs

Share prices throughout Europe soared yesterday, with five of the six biggest stock exchanges reaching new highs. The London stock market outpaced the others with a gain of 1.2 per cent, as dealers scrambled for shares to balance their trading books before Christmas. The FT-SE 100 index ended 40.8 points up at a record 3,396.5.

The Frankfurt bourse, buoyed by encouraging news on inflation, closed at a record level for the fourth successive day, with the DAX index up 25.33 at 2,222.84. In Paris, the CAC 40 Index rose 17.23 to 2,243.02. Among the others, in Zurich, Amsterdam and Madrid, equities hit their fifth consecutive record high. **Page 24; Paris bourse defies gloom, Page 2; World stocks, Page 21; London stocks, Page 13; Markets, Weekend XI**

**IRA announces Christmas truce:** The Irish Republican Army announced a Christmas truce in its fight to oust Britain from Northern Ireland but hopes faded of an end to its 25-year war against British rule. **Page 4**

**Italy seeks budget surplus:** The Ciampi government pledged to approve before the end of the year extra fiscal measures to raise L6,700bn ($4.03bn) to add to the 1994 budget. **Page 2**

**Russian children taken hostage:** Four heavily-armed men took 12 Russian children and their teacher hostage and flew them out of the southern city of Rostov-on-Don in a commandeered helicopter. The kidnappers, who originally said they wanted to go to Iran, landed 300 miles south of Rostov and demanded an aeroplane in which to fly to a destination outside Russia.

**Qatar contract goes to Swiss:** Qatar awarded Swiss engineering company Asea Brown Boveri a $1.1bn contract for a power and desalination plant in the Gulf state.

**Willis appointed as Australia's treasurer**

Australian prime minister Paul Keating used the departure of treasurer John Dawkins to revamp his cabinet for the first time since the Labor government's re-election in March. Finance minister Ralph Willis (left) was appointed treasurer, a post he held briefly in 1991, in a reshuffle which affected 11 ministers or parliamentary secretaries. **Page 3**

**Russian citizenship pact:** Turkmenistan became the first member of the former Soviet Union to sign a dual citizenship pact with Russia. **Page 2; Russia denies diamond sales, Page 2; Yeltsin sets opposing courses, Page 2**

**UN vehicle hijacked:** Bosnian government forces hijacked a UN armoured personnel carrier with three British soldiers aboard at Gornjivakuf in central Bosnia. The soldiers were later returned safely to their base.

**Elliott charged:** John Elliott, former head of Australia's Elders IXL brewing and agribusiness group, was charged with two counts of theft, involving A$66.5m ($43.4m), and with conspiring to disguise the theft through fictitious foreign exchange dealings. **Page 3; Mining company chairman accused, Page 3**

**Alitalia,** Italy's state airline, has warned labour unions that urgent measures are needed to cut costs and improve productivity to staunch expected large losses. **Page 9**

**Cellular acceptance:** The cellular phone, still widely regarded as a yuppie toy, appears to be on the verge of breaking through to the mass consumer market in the UK. **Page 4; Essentially well-connected, Page 7**

**Making money out of Mao:** One by one the great Maoist shrines have fallen, not to angry mobs bent on casting out the devils of the past, but to the power of money. **Page 6**

**Japanese spirits:** Japanese drinkers seeking to lighten their recession-induced gloom are turning to shochu, a cheap spirit distilled from sweet potatoes, while sales of whisky, wine and beer have fallen. **Page 24**

**Financial Times**
The Financial Times will not be published tomorrow or next Monday and Tuesday. It will be published again on Wednesday, December 29. We wish all our readers, advertisers and distributors a happy Christmas.

| ■ STOCK MARKET INDICES | | | ■ STERLING | | |
|---|---|---|---|---|---|
| FT-SE 100: | 3,396.5 | (+40.8) | New York lunchtime: | | |
| Yield | 3.46 | | $ | 1.5075 | |
| FT-SE Eurotrack 100 | 1,459.50 | (+7.86) | London: | | |
| FT-A All-Share | 1,669.96 | (+1.1%) | $ | 1.504 | (1.495) |
| Nikkei | closed | | DM | 2.5475 | (2.545) |
| New York lunchtime: | | | FFr | 8.6775 | (8.6625) |
| Dow Jones Ind Ave | 3,770.02 | (+7.83) | SFr | 2.1575 | (2.15) |
| S&P Composite | 468.49 | (+1.17) | Y | 166.25 | (165.25) |
| ■ US LUNCHTIME RATES | | | £ Index | 81.7 | (81.4) |
| Federal Funds: | 3 1/16% | | ■ DOLLAR | | |
| 3-mo Treas Bills: Yld | 3.106% | | New York lunchtime: | | |
| Long Bond | 100 7/32 | | DM | 1.6925 | |
| Yield | 6.212% | | FFr | 5.76625 | |
| ■ LONDON MONEY | | | SFr | 1.4325 | |
| 3-mo Interbank | 5 3/8% | (5 7/16%) | Y | 110.48 | |
| Liffe long gilt future: | Dec 120 15/32 | (Dec 120) | London: | | |
| ■ NORTH SEA OIL (Argus) | | | DM | 1.6935 | (1.702) |
| Brent 15-day (Feb) | $13.64 | (13.7) | FFr | 5.77 | (5.795) |
| ■ Gold | | | SFr | 1.434 | (1.4375) |
| New York Comex (dec) | $385.5 | (386.0) | Y | 110.55 | (same) |
| London | $385.5 | (386.2) | $ Index | 66.7 | (67.0) |
| | | | Tokyo closed | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Austria | Sch30 | Greece | Dr300 | Lux | LFr65 | Qatar | QR12.00 | | |
| Bahrain | Din1.250 | Hong Kong | HK$16 | Malta | Lm0.60 | S.Arabia | SR11 | | |
| Belgium | BFr65 | Hungary | Ft185 | Morocco | MDh13 | Singapore | S$4.10 | | |
| Bulgaria | Lv25.00 | Iceland | IKr215 | Neth | Fl 3.75 | Slovak Rp | KSL45 | | |
| Cyprus | C£1.00 | India | Rs40 | Nigeria | Naira45 | South Africa | R12.00 | | |
| Czech Rp | CZK45 | Israel | Shk5.90 | Norway | NKr16.00 | Spain | Pta210 | | |
| Denmark | DKr15 | Italy | L2700 | Oman | OR1.50 | Sweden | SKr15 | | |
| Egypt | E£4.50 | Japan | Y500 | Pakistan | Rs35 | Switz | SFr3.20 | | |
| Finland | FM12 | Jordan | JD1.50 | Philippines | Pso45 | Syria | S£50.00 | | |
| France | FFr9.00 | Kuwait | Fils600 | Poland | Zl 32,000 | Tunisia | Din1.250 | | |
| Germany | DM3.30 | Lebanon | US$1.25 | Portugal | Es215 | Turkey | L3000 | | |
| | | | | | | UAE | Dh11.00 | | |

# China set to keep world lead with 13% growth rate

**By Alexander Nicoll, Asia Editor, in London**

China's economy is likely to have produced the world's fastest growth rate in 1993 for the second successive year, in spite of the government's attempts to slow the pace and prevent overheating.

Several western economists who have visited China recently expect the economy to show 13.2 per cent growth in 1993, slightly faster than last year's 12.8 per cent pace. It is driven by huge growth in industrial output and by massive investment, with about $20bn pouring into the economy this year from foreigners alone.

The economists are cautiously optimistic, however, that the Chinese government will succeed in slowing the pace of growth to about 10 per cent during the first half of 1994, and will avoid a "hard landing".

Mr Cyril Lin, fellow of St Anthony's College, Oxford, said: "We're going to see modest growth in the first half, mainly because the first half of 1993 was so strong."

Another senior economist said most Chinese leaders appeared united on the need to stabilise growth. He said the 16-point programme introduced at mid-year to cool the economy "seems to be working" but admitted there was "a big *if* about monetary policy".

The economists believe that, while concerns about inflation remain, they should not be exaggerated. Fears have recently been expressed that the partial relaxation of monetary policy ordered in the autumn by Mr Zhu Rongji, vice-premier and central bank governor, will cause the economic boom to run out of control and force the government to take austerity measures later in 1994 to curb inflation.

Mr Zhu admitted this week that the government, which had tightened credit in July to curb the most speculative aspects of the boom, had so far failed to control growth in money supply and investment in fixed assets. The Beijing municipal authorities have re-imposed controls on prices of grain, cooking oil and eggs because of recent sharp rises. Inflation in larger cities is above 20 per cent.

There have been signs of

Continued on Page 20
Making money from Mao, Page 6

# DM2.4bn Siemens microchip plant project for Dresden

**By Judy Dempsey in Dresden**

Siemens, Germany's largest electronics manufacturer, is to invest DM2.4bn ($1.42bn) over 10 years in a new microchip plant in Dresden.

The project will be one of the largest single investments in eastern Germany and the biggest anywhere in the European electronics sector in recent years.

More than 1,200 jobs will be created, and another 2,000 ancillary jobs are expected to grow around the new plant.

The investment is part of Siemens' strategy aimed at increasing its share of international telecommunications market, which is expanding rapidly, particularly in Europe. Growth would be largely export-driven, the company said.

Mr Heinrich von Pierer, chairman, said the investment would be made primarily in production, with 10 per cent for research and development.

"By building this new plant in Dresden, we want to increase productivity, focus on innovation and expand our markets," he added. Production and research will be based under one roof to allow a faster and more flexible response to technological developments, company officials said.

The production centre, scheduled to be on line by early 1996, is expected to have an annual turnover of DM1bn. It will make 64-megabyte memory chips and the 256-megabyte chip used for telecommunications, mobile telephones and the car industry. Mr von Pierer said "worldwide" exports would account for most of the plant's output.

Siemens intends to invest and organise production alone in Dresden, but Mr von Pierer added that "the door would be left open" for potential partners, including Toshiba, the Japanese electronics group.

Siemens chose Saxony instead of expanding outside Germany after lengthy negotiations with Mr Kurt Biedenkopf, the state's prime minister, who is adept at cutting through red tape.

There were also attractive investment grants. The European Union's Regional Fund and the German Ministry for Research and Development will contribute about DM300m to the planned investments, while about 35 per cent of the investments will be supported by the German government and the state of Saxony.

Siemens said it chose Dresden partly because it offered a highly qualified workforce. The skills available in the region meant it could become the new centre of an eastern German electronics industry.

Siemens already has three enterprises in Saxony and employs more than 16,000 people throughout eastern Germany. Last year's turnover in the five eastern states amounted to DM5bn, and the company expects profit by the end of 1994 after several years of heavy restructuring costs. Siemens' total turnover this year amounted to DM81.7bn.

Europe has only a small share of the global semiconductor market. Japan and the US dominate, with Europe taking about 7 per cent of worldwide sales.

Cologne's medieval centre is swamped after the Rhine overflowed following days of heavy rain Page 24

# US economic figures point to strength of recovery

**By Jurek Martin in Washington**

A fresh batch of economic statistics, led by strong orders for durable goods, gave further indications of the vigour of the US economy yesterday.

In November, orders for manufactured durable goods rose by 2 per cent to $139.4bn. That follows a 2.6 per cent advance in October and constitutes the fourth consecutive monthly increase, the longest series of gains for more than six years. Orders stood at 8.8 per cent above the level of a year ago.

The increase was led by the aircraft and automobile sectors, with transportation as a group up 5.7 per cent in the month. The only leading industrial category to record a decline in November was electrical machinery.

Predictably, in view of the contracting military budget, overall defence orders also fell – by 1.7 per cent – but that was more than offset by a healthy 5.3 per cent rise in the non-defence sector, which augurs well for future capital spending.

Shipments of durable goods also rose for the fourth consecutive month, this time by 2.7 per cent, while unfilled orders – the manufacturing backlog – fell for the ninth consecutive month, by 0.6 per cent in November, to the lowest level since May 1988.

The government also reported that personal incomes rose last month by more than personal spending, an indication that the consumer, although saving less, may yet help to sustain the recovery.

Income went up by 0.6 per cent in November, another fourth monthly increase in succession, while spending rose for the eighth consecutive month, this time by 0.4 per cent, only half the level of October.

Meanwhile, Mr Leon Panetta, the budget director, forecast that the federal deficit in fiscal 1995, starting next year, would fall to about $190bn, compared with a little under $250bn in the current year and a shortfall for fiscal 1995 of just over $300bn projected when the Clinton administration took office.

Mr Panetta attributed the reduction to the effect on new deficit-cutting policies and to the renewed strength in the economy, which increases tax revenues.

He said the next budget, to be announced probably in early February, was substantially complete; but beyond saying that nine of the 14 cabinet level departments would have to get by on less, he disclosed no details.

# Triple merger to cut Fiat's exposure to building sector

**By Haig Simonian in Milan**

Fiat, Italy's biggest private company, is cutting its exposure to the troubled building sector via a complex three-way merger which will create the country's biggest construction concern.

Fiat will merge its quoted Cogefar-Impresit subsidiary with Lodigiani, Italy's second-ranked privately-owned building group, and with Girola, ranked about 20th. The three companies are already joint venture partners in the long-standing Impregilo building firm, which will be the vehicle for the merger.

The combined entity will have annual sales of about L2,800bn ($1.683m), and should be more competitive against larger rivals such as Hochtief and Philipp Holzmann of Germany and Bouygues of France for big international contracts.

The multi-stage deal will begin with a rights issue by Cogefar-Impresit, 63 per cent Fiat-owned, which will then merge with Impregilo, which operates exclusively in big infrastructure contracts outside Italy.

The merged company, to be called Impregilo, will take over the industrial activities of Lodigiani and Girola in return for equity stakes.

Fiat's stake in the new Impregilo will fall to about 26.5 per cent when the deal is completed during the next 18 months. A similar proportion of the shares will be floating, with the remainder split between Lodigiani (17 per cent), Girola (16.3 per cent) and five banks (15 per cent).

Mr Ugo Montevecchi, chief executive of Cogefar-Impresit, said: "The deal reflects an awareness that the companies concerned need to concentrate and rationalise.

"The existing Impregilo joint venture was the obvious point on which to focus," he said.

Italy's big builders have been devastated by the recession and the political corruption scandal, which has led to a virtual freeze on public-sector contracts. Profits have slumped at most large groups. Many smaller builders have gone bankrupt.

Mr Montevecchi said the Fiat-led reorganisation was dictated by market forces in the highly fragmented Italian construction sector. Cogefar-Impresit, the country's leading builder, expects sales of about L1,600bn ($960m) this year, while turnover at Lodigiani and Girola should be about L500bn and L300bn respectively.

However, the new Impregilo will still be smaller than most of its leading European rivals. Annual sales for the EU's top 20 building groups range from Ecu2bn ($2.28bn) to Ecu9bn, while the new Italian company's turnover will be about Ecu1.5bn.

Fiat is believed to have been considering various options for Cogefar-Impresit. Earlier this year, Mr Giovanni Agnelli, Fiat's chairman, indicated the operation was "not strategic" and could be sold.

But the chances of a sale have been restricted by the corruption scandal, in which Cogefar-Impresit has been involved.

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هكذا من الاصل

# Paris bourse defies gloom on industry

By Alice Rawsthorn in Paris

The Paris stock market yesterday hit an all-time high despite publication of gloomy economic statistics revealing a steep decline in industrial production during October.

The announcement by the Insee state statistics institute that industrial and manufacturing output fell by 0.7 per cent and 1.4 per cent respectively during the month had no tangible effect on investors' enthusiasm for French equities.

The CAC 40 Index continued its recent bull run by beginning the day's trading with a rise to a record 2,239.7. It rallied again during the afternoon to close at a new high of 2,243.02, an increase of 0.77 per cent over the previous day.

However, the French franc faltered on the publication of the poor production figures which came on the heels of Wednesday's announcement that household consumption had fallen by 1.6 per cent last month.

The franc, which earlier this month returned to its old European exchange rate mechanism trading bands for the first time since the summer currency crisis, rose during the morning only to lose momentum. It closed in Paris at FFr3.4079 against the D-Mark, compared with FFr3.4074 on Wednesday.

Mr Edmond Alphandéry, economy minister, sought to play down the significance of the gloomy economic news by claiming that French economy was in a "pre-recovery stage".

Mr Alphandéry pointed to the strength of the stock market, recent reductions in interest rates and the mildly optimistic tone of some recent business confidence surveys as encouraging omens for the future.

The minister said that the cabinet would assess in January the general prospects for the economy and decide whether it was necessary to implement special reflationary measures, thereby echoing earlier statements made by Mr Edouard Balladur, the prime minister.

In the meantime, the government has decided to extend its support for small and medium-sized companies by providing a capital injection of FFr500m (£57m) to Crédit d'Equipement des PME (CEPME), an institution that provides credit to the small corporate sector.

The capital injection should enable the CEPME to provide FFr5bn more credit to small companies in 1994 than it has done this year. So far, small and medium-sized businesses have borne the brunt of the French recession and have triggered the steep increase in the rate of corporate failures.

● The government will keep control of monetary policy until a new monetary policy council at the Bank of France is named and installed, Mr Alphandéry said, Reuter reports from Paris.

He said the six lay members who will join the central bank governor and his two deputies on the new council would be named at a cabinet meeting on January 5.

# Yeltsin sets opposing courses

## The two main tasks handed to the government are incompatible, writes John Lloyd

President Boris Yeltsin has set himself and his government two important – and incompatible – tasks.

At a news conference in the Kremlin on Monday, a slow and halting Russian president said economic reform would continue despite the reformers' poor showing in the elections two weeks ago. Mr Yegor Gaidar, first deputy prime minister and the man most associated with reform, would remain in the cabinet.

"Gaidar stays," said Mr Yeltsin, "and that means the course which he has brought in with the president and the government stays."

Yet, the reform course Mr Gaidar has set in motion is not the one he really wants to pursue. Nor is it the policy that many Russians blame him for.

Since returning to office in September, Mr Gaidar, in overall charge of the government's economic departments, has punctured his predecessor Mr Oleg Lobov's attempt to reinstate the economics ministry as a kind of revamped Gosplan. However, only at times has he been able to dam the flow of credits to state industries and he has completely failed to produce a strategy which might let some of those industries collapse.

Mr Victor Chernomyrdin, prime minister, made clear last week that he blames Mr Gaidar's reforms for the reformers' defeat in the polls and that he must "think again". Mr Gaidar himself, in off-the-cuff remarks, seems inclined to agree, commenting that higher investment and an end to falling production are now priorities.

At his news conference President Yeltsin also commended a "more socially oriented" course for the government. If inflation continued to fall social spending should rise, he said, and warned that economic reforms had to be made "strictly in accordance with the constitution".

The latter is a grab-bag of commitments, but insofar as they are economic, they lay down that Russia "shall be a social state" and that the state shall ensure "a guaranteed minimum wage, state support for the family, motherhood, fatherhood and childhood, and also support for the disabled and for elderly citizens, develop a system of social services and establish government pensions, benefits and other social security guarantees".

The Gaidar reform course, however, insofar as that is defined as a monetary-based strategy aimed at stabilising the economy, is simply incompatible with any greatly increased social spending in the short term.

The International Monetary Fund, which has made known that it too wants to see more social spending, must attempt early next year to come to an agreement with a government with contradictory aims – having failed to do so this year with a government supposedly set on a radical reform course.

The new government will inherit a budget deficit of Rbs6 trillion (thousand billion) – that is, budgetary expenditure delayed from this year in order to keep the deficit within 10 per cent of gross national product, but which must be paid. How the IMF will square this circle is unknown, but its only way out seems to be through the Group of Seven leading industrial countries finding ways of giving money to Russia without imposing IMF-type conditions.

The second incompatibility is more directly political. Mr Yeltsin said he wanted his government (albeit smaller) to stay, that it would not be a coalition, and that he would seek to work with parliament and with a "constructive" opposition, in which he included Mr Vladimir Zhirinovsky's Liberal Democrats.

The government is already a coalition. Some of its ministers stood on Mr Gaidar's Russia's Choice ticket, others on that of the Party of Unity and Accord of deputy premiers Sergei Shakhrai and Alexander Shokhin. Others scorned both. As the past week has shown, the cabinet is now a group of openly quarreling individuals.

If, however, a reform team is kept together, it will be heavily opposed by the largest part of the parliamentary parties. Though Russia's Choice, with over 100 seats claimed, is the biggest group in the lower house, or State Duma, the two other reformist parties only bring the total up to 155-160. The anti-reformers are likely to be able to count on over 200.

To be sure, Mr Zhirinovsky's LDP is regarded with some doubt by the Communists and their allies, the Agrarians and the Women of Russia. But Mr Genady Zyuganov, the Communist leader, has made clear he does not regard the LDP as fascist and wants to explore co-operation. The opposition groups will thus fight for the allegiance of the independent and other, small party votes from a position of strength.

Government is thus likely to continue against a parliamentary background of opposition. As Mr Yeltsin has said, he is the main source of power and will sustain his government. But as the situation worsens, he will find that sustaining a government of his choice will make the opposition increasingly less constructive.

Reuter

Russian President Boris Yeltsin (left) and his Turkmen counterpart Sapurmurat Niyazov after signing a bilateral pact

# Moscow reformer criticises US stance

By John Lloyd in Moscow

A close aide to Mr Yegor Gaidar, Russia's first deputy prime minister and the country's chief reformer, yesterday criticised the US administration for "populistic" statements which suggested that the reform course associated with Mr Gaidar should be relaxed.

Mr Vladimir Mau, a long-time associate, strongly reiterated Mr Gaidar's determination to continue – and to deepen – the reform course with which he is associated.

He said that Mr Gaidar's future particip[illegible]ion in the Russian governn[illegible] would depend on the government's commitment to radical measures.

He was speaking the day after President Boris Yeltsin said Mr Gaidar would stay in the government and the reform course would continue.

"We do believe that any slowing down in the pace of reform could make the situation worse in the immediate future," Mr Mau said.

He said that the remarks made by US Vice President Al Gore suggesting International Monetary Fund insensitivity to Russian realities, and those made by Mr Strobe Talbott, special ambassador with responsibility for the Soviet Union, saying that the US administration was not committed to any particular brand of reforms, were beside the point. "We have no particular problems with the IMF's position," said Mr Mau. "The main problem we have with the western countries is restrictions on our exports."

Mr Mau said that the reformers "have paid a very heavy political price in the elections for their policies. It would be silly not to use the time now to continue these reforms, by throwing them away for some other policies which would not address the real problems."

The vital issue, he said, was the continuing support of the president. The parliament's lower house, or State Duma – where reformist parties are in a minority – could only block measures if a two-thirds majority could be mobilised against them. However, he warned that the two other reformist parties, the Yabloko group led by Mr Grigory Yavlinsky and the Party of Unity and Accord led by Mr Sergei Shakhrai, "might oppose some specific reforms". In that case, Mr Gaidar's Russia's Choice group might find itself without the necessary third of the votes to block a motion against the government.

## NEWS IN BRIEF

# Exxon wins $2bn tax dispute in US

Exxon has won a $2bn tax dispute with the US Internal Revenue Service in a transfer pricing case which it said would set a precedent for other US companies operating internationally, writes Richard Waters in New York.

The IRS had claimed that an oil trading consortium, of which Exxon was a part, along with other US energy companies, had sold Saudi Arabian crude oil at below market prices in 1979-81 to affiliates overseas. This reduced taxable profits in the US, where the trading company, Aramco, was based.

In a ruling handed down late on Tuesday, the US Tax Court backed Exxon's argument that it had been constrained by a Saudi Arabian government directive at the time. The kingdom was attempting to damp down the oil price, and had specified the price at which Saudi crude could be sold, it said.

"For the first time, a foreign legal restriction has been granted weight" in a US transfer pricing case, said Mr William O'Brien, Exxon's general tax counsel. Other US companies which operate under pricing restrictions outside the US would be less open to challenge from the US tax authorities as a result, he said.

## Cool reception for Gulf oil plan

Little enthusiasm emerged yesterday for an offer by the six-member Gulf Co-operation Council to cut oil output if other producers, including those not affiliated to the Organisation of Petroleum Exporting Countries, do likewise, writes Robert Corzine in London. The GCC, which includes Saudi Arabia and Kuwait, made its offer conditional on non-Opec producers taking part in a production cutback to prop up weak oil prices.

Analysts said some smaller non-Opec producers might go along with such a strategy. However, one analyst said that it was "virtually unimaginable" that two of the biggest non-Opec exporters, the UK and Norway, would abide by it.

## Papua New Guinea mine targeted

The Papua New Guinea government claimed last night that its security forces were poised to recapture the large and controversial Panguna copper mine on the island of Bougainville before the end of the year, writes Nikki Tait in Sydney.

However, Radio Free Bougainville was playing down the progress of government defence forces, claiming that no PNG troops were moving towards the mining township, although admitting that they were in the area.

The mine, originally operated by CRA, was once a main source of income for the PNG government. It became the subject of a bitter and bloody clash between local landowners, together with Bougainvillean secessionists, and the PNG government in the late-1980s, and was closed down in 1989.

## German inflation stays at 3.6%

West German consumer prices rose 0.1 per cent in December from November, leaving the annualised inflation rate unchanged at 3.6 per cent, the Federal Statistics Office said yesterday, Reuter reports from Wiesbaden. The monthly figure compares with a rise of 0.2 per cent in November. The year-on-year figure is down from a peak of 4.3 per cent in July.

# Russia signs dual citizenship pact

By Steve LeVine in Ashkabad, Turkmenistan

Russian President Boris Yeltsin yesterday signed the former Soviet Union's first dual citizenship accord, making Turkmenistan the former empire's only member to shed some of the near-fanaticism with which most have asserted their separate nationalities.

The agreement allows Turkmenistan's 400,000 Russians, representing about 10 per cent of the republic's population and 40 per cent of its capital, to hold dual citizenship, something that most of its former Soviet brethren have rejected.

The accord was reached during a state visit by Mr Yeltsin one day before a summit in the Turkmen capital of the Moscow-dominated Commonwealth of Independent States, which groups most ex-Soviet republics. It is the first such meeting since this month's Russian parliamentary elections, in which the nationalist Liberal Democratic leader, Mr Vladimir Zhirinovsky, made an unexpectedly strong showing.

Analysts have expected Mr Yeltsin to use the summit as a forum to press CIS leaders to be less resistant to Moscow's economic and political influence, with the justification that the alternative could be a purely imperialist Russia.

In citing the agreement, the Turkmen president, Mr Sapurmurat Niyazov, has in some ways helped Mr Yeltsin move further ahead in Moscow's slow redigging of its roots in the ex-Soviet southern rim. For his part, Mr Yeltsin also may have progressed towards co-opting, or at least undermining, some of Mr Zhirinovsky's nationalist support.

Mr Zhirinovsky, who has advocated reabsorption of much of Moscow's defunct empire, won 37 per cent of the vote among the roughly 7,000 ethnic Russian officers serving under contract to the Turkmen army.

The result, a stronger showing than Mr Zhirinovsky achieved in Russia itself, in part reflected a desire among the much-needed officers – the backbone of Turkmenistan's security forces – to improve their comparatively spartan living conditions and status two years after the break-up of the Soviet Union.

Since then, Mr Niyazov has appeared on national television offering the officers free flats and other benefits.

Mr Yeltsin gave some indication that he might seek similar agreements with other CIS partners. The Turkmen agreement was "a sign of great friendship between two peoples", he said.

Diplomats said that, for Mr Niyazov's part, the accord was at least partly an attempt to stanch the emigration of ethnic Russians from the republic. Just last spring, there were about 11,000 ethnic Russian officers in Turkmenistan. "The government has been well aware that it needs Russian skills," said a diplomat in Ashkabad.

However, the citizenship agreement does little or nothing to counterbalance harsh housing laws that Mr Niyazov has enacted.

About 18 months ago, Mr Niyazov banned the sale of flats for 10 years, removing one main way in which ethnic Russians have been able to earn the cash they need to start a new life outside Turkmenistan.

Then, in the summer, he banned flat or home rentals, taking away an alternative to which some Russians had turned for a steady cash flow while they made new lives for themselves in Russia.

## Italian government to approve measures raising extra revenue of L6,700bn

# Ciampi seeks modest budget surplus

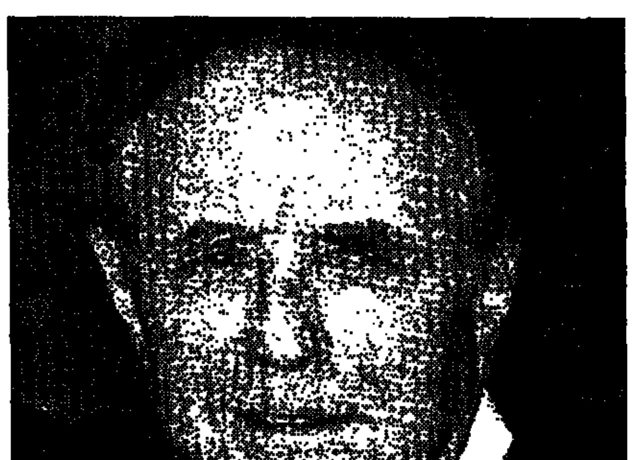
By Robert Graham in Rome

The Italian government has pledged to approve before the end of the year additional fiscal measures to raise L6,700bn (£2.67bn) to add to the 1994 budget.

The extra receipts are considered necessary to ensure a modest primary surplus (the balance between revenues and expenditure excluding interest payments) of L31,000bn in 1994.

However, the continuing increases in the cost of social security and pension payments, coupled with lower revenues, both as a result of recession, could well force a mini-budget in mid-1994.

The 1994 austerity budget itself finally cleared all its parliamentary hurdles on Wednesday, having been first presented in September. Its progress was aided in the past three weeks by the agreement of the Party of the Democratic Left (PDS) to give direct support to the various budget bills instead of abstaining.



Associated Press

Ciampi: completed terms of mandate undertaken in May

Another important piece of financial legislation also cleared parliament this week.

A new law will permit the sale of the state's huge housing stock, held variously by local authorities, the railways (FS), the Ministry of Posts and the Treasury.

Special discounts will be offered to encourage owner-occupiers, while 80 per cent of the receipts will go towards building new houses and 20 per cent to the Treasury.

With these pieces of financial legislation, the government of Prime Minister Carlo Azeglio Ciampi has virtually completed the terms of its mandate undertaken in May.

An announcement on the dissolution of parliament is expected at the end of the year. President Oscar Luigi Scalfaro yesterday met Mr Giovanni Spadolini, the head of the senate, and Mr Giorgio Napolitano, the leader of the chamber of deputies, to co-ordinate the dissolution.

The extra 1994 revenues are expected to be raised via a further VAT rise, plus increased taxes on alcohol and cigarettes as well as in selected stamp duties. A further rise in already high petrol taxes was considered but appears to have been ruled out, in part to avoid inflationary effects.

The new budget deliberately seeks to attack the deficit by seeking cuts in spending rather than through an increase in the overall tax burden.

Thus, of the extra L32,000bn needed in 1994, L23,000bn will come from spending cuts. The deficit is due to be cut from more than 10 per cent of gross domestic product to 8.7 per cent of GDP.

● Mr Sergio Cusani, a leading financial consultant whose trial for alleged corruption in Milan is causing a political sensation, was yesterday ordered to be released from prison.

Mr Cusani had been in prison for more than five months, refusing to talk to investigating magistrates except in a public court. His trial began three weeks ago, but he has refused to appear in court until now.

# Russians deny sale of diamonds

Russia's State Precious Metals Committee yesterday denied allegations by De Beers that it was selling uncut diamonds to the Antwerp market in breach of an agreement to sell only through the South African diamond cartel, Reuter reports from Moscow.

The committee, Komdragmet, has nothing to do with exports and did not leak diamonds to the market in breach of the deal with De Beers said Mr Boris Pozdnyakov, the committee's deputy chairman.

"We never exported any diamonds to the Antwerp market," he said. But he attacked the De Beers contract, saying Russia was losing at least 30 per cent of its potential profits because of the agreement. De Beers controls diamond markets via its London-based Central Selling Organisation.

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# Lean times for Britons who eat for their country


By Rachel Johnson

On Christmas Day, Mr John Smith, the British Labour party leader, his wife and three daughters will be tucking into the finest turkey dinner the Holy Land can provide as guests of Mr and Mrs Andrew Burns, the British ambassador and his wife, in Tel Aviv.

For the Burns, like many of the Foreign Office's 217 heads of posts abroad, regard entertaining, however festive, as work; and few diplomats – ever mindful of *esprit de corps* – have been tempted to follow Mr Kenneth Clarke, the chancellor, who cancelled his Christmas party for the press – a less-than-lavish affair of mulled wine and cold mince pies at Number 11.

Even so, ghosts are looming over the feast. Not only has the FO been squeezed in public spending rounds, but the devaluation of the pound after its exit from the exchange rate mechanism last September has taken its toll on the spending power of British posts abroad.

Ambassadors and their spouses – who receive an annual entertainments allowance – are reporting a pinch this year and are steeled for further parsimony. But there are still good reasons for dining to remain, as Lord Palmerston put it, the soul of diplomacy.

Lady Fall, the wife of the British ambassador in Moscow, held six parties this season. They included a buffet-and-sketches event for staff, two children's parties (for the British community and children of Russian staff) and a dance for the Russian staff.

As she spends in three currencies – roubles, dollars and sterling – her costs are a "nightmare" to control. She economises by serving "Australian bubbly or Spanish fizzy", keeping champagne for "special occasions involving the French ambassador". "We know we're heading for a crunch but it hasn't come yet," she says. "This city is very frustrating and parties are good for morale."

Mrs Sarah Burns also regards Christmas as a time of official morale-boosting.

She has given a children's party at which her husband played Santa; a carol party – at which the prize exhibit was not the plum pudding but a large ham, smuggled in from one of the only shops in Israel with a bootleg stock of pork; and tonight a carol party which will end up in Manger Square in Bethlehem. As for expense, "the annual budget has been cut and we won't personally be quite so lavish", says Mrs Burns. "But a turkey is a turkey."

She feels, however, that most economies are already in place, even though she has provided meals for 4,000 people in her first year in the post. "Everything is accountable. I wish I'd done a hotel management course before becoming an ambassador's wife," she says.

In Washington, Lady Renwick is spared such worries by a social staff and a streamlined diary. She is simply giving a large children's party and a buffet dinner for 250 people (embassy staff and British press).

All those lunches and dinners mount up fast, and the Foreign Office is under continuous pressure to cut costs further. Total annual expenditure on diplomatic service hospitality in 1992-93 was £7m, up from £5.7m in the previous year and £3.5m in 1975-76.

Diplomats, however, are adamant that spending on what they call the "entertainments workload" delivers value for money, and helps boost British exports and interests.

**NEWS:** INTERNATIONAL

## Australian federal authorities launch prosecutions against two of the country's leading businessmen

# John Elliott charged with £30m theft

By Nikki Tait in Sydney

Elliott: 'I reject the charges, whatever they are'

Mr John Elliott, the Melbourne-based businessman and former head of the Elders IXL brewing and agribusiness group, was yesterday charged with two counts of theft, involving A$66.5m (£30m), and with conspiring to disguise the theft under the guise of two fictitious foreign exchange transactions. He was freed on A$450,000 bail.

Similar charges were brought against Mr Kenneth Jarrett and Mr Peter Camm, two other former Elders IXL executives. Mr Jarrett was charged with theft and conspiracy, Mr Camm with conspiracy only. Both were also granted bail.

The charges were served hours after a High Court judge refused to grant a temporary injunction barring the National Crime Authority and the Victorian Director of Public Prosecutions from bringing a criminal case against Mr Elliott.

Mr Elliott, who vehemently denies any wrongdoing, has successfully kept injunctions in place for several months, arguing that the NCA had overstepped its authority in pursuing these matters and alleging that he had become the victim of a political conspiracy.

Last month, however, a federal court decided to lift the injunctions, and the full federal court then rejected Mr Elliott's application to appeal. This meant that the High Court became Mr Elliott's last hope – and that was dashed by Justice Gaudron's ruling yesterday.

The charges relate to two foreign exchange transactions between Elders and the Bank of New Zealand, and then between the Bank of New Zealand and companies connected to executives of Equiticorp, the failed New Zealand-based group, in 1988.

The transactions resulted in losses to Elders of A$39.5m and A$27m respectively, and similar gains to the Equiticorp-related companies. The authorities allege that these were fictitious deals, designed to funnel money from Elders to Mr Allan Hawkins, Equiticorp's now-jailed former chief executive, or to companies connected with him.

When yesterday's High Court decision became known, Mr Elliott – a former president of the Australian Liberal party – quickly reasserted his innocence. "The contest for justice is far from over and will continue," he said in Melbourne, adding that he "rejected the charges, whatever they are".

But when the three men later appeared in the Melbourne Magistrates Court to seek bail, one lawyer for a prosecution witness described the charges as "one of the largest cases of theft ever to come before an Australian court". He claimed that Mr Elliott had been the "linchpin" in the two transactions, and Mr Jarrett, a "major player".

Mr Elliott was remanded to reappear for a committal hearing on April 14 next year. The other two men were also bailed to reappear next April, with bail for Mr Jarrett set at A$450,000 and at A$225,000 for Mr Camm.

# Mining company chairman accused

By Nikki Tait

De Crespigny: charges 'unexpected and disappointing'

Normandy Poseidon, the large Adelaide-based mining and exploration group, last night took the highly unusual step of disclosing that its executive chairman, Mr Robert Champion de Crespigny, was about to be charged by the federal director of public prosecutions.

The company's solicitors added that they had been advised that Mr Thomas Meiklejohn, a former employee of Normandy, would also be charged.

Normandy, which made the announcement after the stock market closed, said full details of the charges had not been disclosed but continued: "It is understood that they relate to the takeover by Brunswick NL in 1989 of Bendigo Gold and that the charges allege that Mr de Crespigny and Mr Meiklejohn allegedly failed to take reasonable steps to ensure that the Part A statement delivered to Bendigo Gold shareholders did not contain misleading information.

"It is understood that Mr Meiklejohn is also to be charged for allegedly having knowingly published false information in relation to the financial position of Brunswick."

Brunswick started corporate life as Brunswick Oil, but sold its oil interests and moved into the gold exploration business in Western Australia. Control was then acquired by interests related to Mr de Crespigny who, in 1989, was chairman of the company. Mr Meiklejohn, at that time, was Brunswick's managing director.

The merger with Bendigo Gold was agreed in 1990. A "Part A" document is one of the offer documents formally required under Australian takeover practice – and the one which tells shareholders in the target company about any information relevant to them in deciding whether to sell their shares.

Mr de Crespigny, one of the most influential figures in Australia's mining industry, denied any wrongdoing. "The laying of these is entirely unexpected and very disappointing," he said in a statement.

"The DPP has never spoken to me nor made any serious attempt to canvass its concerns with me."

He said he was completely innocent of the charges and would defend them vigorously. He was confident of an acquittal, "although clearly the laying of these charges is bound to cause me enormous personal damage".

Last night, Mr Andrew Corletto, Normandy's company secretary, said that he did not believe that the charges had actually been laid to date, although he conceded that it was possible this would happen before the holiday weekend. Normandy's early disclosure of the impending prosecution appears to have been prompted by a wave of rumours.

# Treasurer's departure prompts Keating reshuffle

By Nikki Tait

Australia's prime minister, Mr Paul Keating, yesterday used the departure of Mr John Dawkins as treasurer to change his cabinet for the first time since his Labor government was re-elected in March. Eleven ministers or parliamentary secretaries moved.

The new cabinet has a more balanced appearance, giving prominence to some supporters of Mr Bob Hawke, the last Labor prime minister, and easing up on the rewards for previous Keating support.

Mr Ralph Willis, 55, former finance minister, takes over from Mr Dawkins in a widely anticipated move. A competent if uncharismatic man, he has been an MP for more than 20 years and was treasurer briefly in 1991.

"What we want to do is to accelerate the growth [in the economy] and the job growth that comes with it, and to get the unemployment numbers down. That's our number one priority," he said yesterday, adding: "All that's to be done within a responsible fiscal policy and... we remain absolutely committed to the deficit reduction strategy."

Mr Willis will be replaced as finance minister by Mr Kim Beazley, previously responsible for employment, education and training. He was formerly finance minister in 1991.

The employment portfolio passes to Mr Simon Crean, minister for primary industries and energy since mid-1991, who recently oversaw reorganisation of the wool industry. With the jobless rate in double figures, the post is likely to be a high-profile one. Mr Crean was president of the Australian Council of Trade Unions in 1985-1990.

The large transport and communications portfolio is being split, with communications being taken over by Mr Michael Lee, 36, a relative newcomer at ministerial level. He is adding it to his existing tourism portfolio. Mr David Beddall takes over resources, previously handled by Mr Lee, and Mr Laurie Brereton, a close associate of the prime minister, will add transport to his industrial relations responsibilities.

The decision to give communications to Mr Lee and transport to Mr Brereton has surprised many pundits, who believed it would be the other way round. Communications has been extremely sensitive of late, with the government embarrassed by the near-farcical "auction" of satellite pay-TV licences and questions about the way in which foreign investment limits have been applied in the print media.

Completing the circle, Mr Bob Collins – who previously held the transport and communications portfolio, and had been heading home to Darwin on Wednesday night before being recalled to Canberra - takes over Mr Crean's job at primary industries.

# Christmas is coming – even in Bethlehem

By Julian Ozanne in Bethlehem

Christmas will be celebrated in Bethlehem for the first time in six years tomorrow, amid hopes of growing reconciliation between Jews and Christians.

The Biblical town has not officially celebrated Christmas since the Palestinian uprising against Israel erupted in December 1987. But the Palestine Liberation Organisation has just made Christmas a national holiday, allowing the town to celebrate openly.

Christmas in Bethlehem is special too this year as next week the Vatican and Israel will sign an agreement to establish relations, in what many people hope will prove to be a landmark on the road to reconciliation between Jews and Christians. Pope John Paul II has said he will visit the Holy Land soon.

Nevertheless, enormous problems remain in bringing peace and goodwill to the peoples and the religions of the land of Israel.

Indeed, a dispute almost stopped Christmas from happening at all in Bethlehem when the Palestinian major threatened to cancel the festivities unless Israel withdrew its demands for the Palestinian flag to be taken down. Last night senior PLO officials had taken up the matter with Israel's foreign minister, Mr Shimon Peres.

Despite the peace process, the lives of Palestinians have yet to change for the better. Israeli troops with machine-guns yesterday lounged on the wooden stand used by the Christmas choir in Manger Square – a potent reminder of the continued occupation. Arab-Jewish violence continues unabated. And even if the self-rule peace agreement is finalised in the coming days the Palestinian state Arabs yearn for remains distant.

For Jews, too, getting into the spirit of peace and goodwill remains difficult. The killings of Jewish settlers by Palestinian gunmen has left a shadow over the peace process. And although many Jews see the normalisation of relations with the Vatican as an important symbolic step forward they remain deeply uneasy about Jewish-Christian friendship.

Professor Sergio Minerbi, a Jew who has made the Vatican his special academic interest, says the Holy See's establishment of relations with Israel has been made possible because the church has separated politics from religion. It now treats issues on principles of international law rather than theological doctrine and has tacitly dropped its teaching that the dispersal of the Jews out of the Holy Land was punishment by God for the refusal of the Jews to acknowledge Christ as the saviour.

Like many Jews, Professor Minerbi believes that persecution by the Nazis was due partly to the theological anti-semitic teaching of the Catholic Church, which, until 1965, held all Jews collectively guilty for the crucifixion of Jesus by virtue of descent.

Among Christians in Jerusalem too there are profound question marks about the possibility of a reconciliation between the religions. "The theological thing is either they are right or we are," said Father Jerry Murphy O'Connor. "Either Christ was the saviour or he wasn't. The rest is tea parties."

Israel and the PLO failed to settle differences over control of borders between Gaza and Egypt and the West Bank area of Jericho and Jordan in peace talks in France yesterday, Julian Ozanne reports.

The two sides agreed to consider a compromise whereby Israel would retain a veto over who could enter the West Bank and Gaza but the Palestinians would man separate checkpoints and deal with immigration, customs and tax formalities. The negotiators meet again in Cairo on Monday.

# Sinn Féin blow to Ulster peace efforts

By Tim Coone and David Owen

A top Sinn Féin official last night dealt a blow to Anglo-Irish efforts to bring peace to Northern Ireland, as the IRA announced that its traditional Christmas ceasefire would last only the usual 72 hours.

Mr Martin McGuinness, a key figure in the Republican leadership, used a newspaper interview to hint that last week's Downing Street Declaration would not be enough to persuade the IRA to end its 25-year armed struggle.

The political situation had not "developed to a position where Sinn Féin can use its influence to end attacks on the British Crown forces," Mr McGuinness said.

His remarks came as nearly 450 prisoners – 100 of whom are serving life sentences – were let out of the province's jails to spend Christmas with their families.

Coming just a week after the Major-Reynolds declaration, the traditional Christmas exodus is expected to fuel debate among both loyalists and nationalists over whether to embrace the peace process.

Senior IRA men released yesterday are expected to be involved in talks with Sinn Féin leaders about their response to the joint declaration.

This may add to pressure on Republican leaders to demand an amnesty for IRA prisoners as part of any peace deal. Mr Gerry Adams, the Sinn Féin president, called earlier this week for all IRA prisoners to be released as part of a negotiated settlement – a position echoed by Mr McGuinness yesterday.

Meanwhile, the acquittal of two Royal Marines charged with attempting to murder two Catholic brothers in a checkpoint shooting added further to tension in the province.

Interviewed in the Derry Journal, Mr McGuinness – who is thought to have played an important role in this year's secret contacts between Sinn Féin and the British government – said last week's declaration had to be "backed by actions." Taken alone, "for all its grand phraseology", it was "not going to solve the problems."

He warned that internment would be "a recipe for disaster" leading to another 25 years of violence.

Downing Street last night responded to Mr McGuinness's comments by reiterating that it was only interested in a permanent cessation of violence leading to a lasting peace.

Mr McGuinness's statement coincided with the IRA's "temporary suspension" of their campaign for 72 hours, starting at midnight. The IRA announces a three-day ceasefire every Christmas, but hopes had been raised that a longer ceasefire would be announced this year, to allow room for the peace initiative to gather momentum.

# Mobile phones in mass market breakthrough

By Andrew Adonis

The cellular phone, still widely regarded as a yuppie toy, appears to be on the verge of breaking through to the mass consumer market.

Sales of mobile phones are running faster than ever before, with a dramatic boost in the run-up to Christmas as the better-off hunt for fashionable stocking fillers.

Cellnet, the UK's second largest mobile phone operator, will connect nearly as many new subscribers to its network this month as for the whole of 1992.

By the end of the year, the UK's three mobile phone operators will have nearly 2m subscribers between them. The tally was 1.4m at the start of the year, built up over the previous eight years.

Cellnet expects to make a net increase of more than 50,000 subscribers in December, compared with 67,000 for the whole of 1992. Last December the company made a net gain of 15,000 customers.

Mr William Ostrom, Cellnet's director of corporate affairs, said: "The market seems to have reached the point of take-off: price is ceasing to be regarded as a barrier."

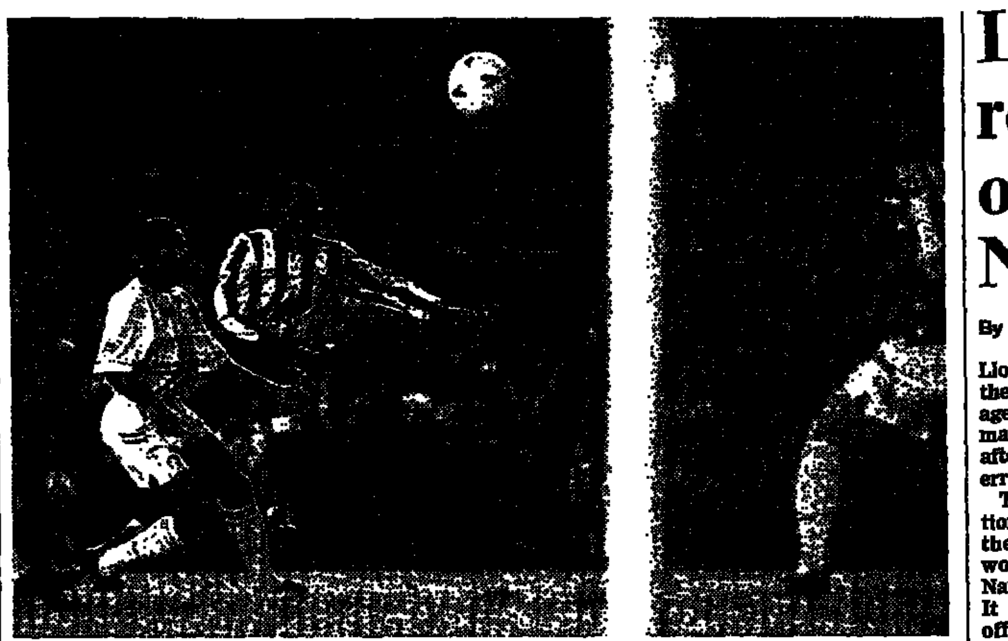
The pre-Christmas spurt comes on top of two months of rapid growth. In November Cellnet made a net gain of 35,000 subscribers, and in October 25,000. In November 1992 its net gain was 8,300.

Vodafone and Mercury One-2-One, the other two network operators, have not disclosed their December subscriber numbers. But last month Vodafone, the largest operator, made a net gain of 29,382 subscribers, the highest monthly increase since its service opened in 1985.

Mercury One-2-One is estimated by analysts to have about 35,000 subscribers in the London area, all gained since the launch of its network in September.

The UK's growth reflects a substantial advance for the cellular telephony industry across western Europe. According to the Financial Times' mobile communications newsletter, subscriber numbers across the region rose by 45 per cent in the year to December 1.

Growth was particularly strong in Germany, with the launch of two new national networks, and in Spain, where Telefonica, the state operator, boosted its subscriber base by 80 per cent.



As Newcastle's Andy Cole was scoring against Leeds this week, his club was scoring off the pitch

# 'Toon Army' boost retailers

By Chris Tighe

What's black and white, costs £32.99 and keeps shop assistants very busy?

The answer is the Newcastle United Football Club strip, which will be found by thousands of native and adopted Geordies in their Christmas stockings tomorrow.

At one time football clubs expected fans to trek to their grounds to buy merchandise.

But this Christmas more than a score of clubs from the south coast to Scotland have discovered the potential of a city-centre retail pitch. This follows a pioneering link between Newcastle United and Littlewoods, the chain-store operator.

United already had three city-centre shops of its own in Newcastle upon Tyne and nearby Gateshead, in addition to its St James's Park stadium retail unit. But when it opened a concession in Littlewoods' large Northumberland Street branch in Newcastle in August, sales far exceeded expectations. This prompted the opening of concessions by other clubs in their local Littlewoods in time for the Christmas rush.

The Littlewoods store's Newcastle United shop, which is the size of an average living room, is currently turning over £40,000-£50,000 a week – about £150 per sq ft.

Mrs Hazel Hebron, Newcastle United's retail sales manager, says sales of club merchandise in the 1993/4 season will exceed £ 2m, well up on 1992/3. In just one week early this month, Club shops took £203,000.

# Lloyd's revises offer to Names

By Vanessa Houlder

Lloyd's of London has revised the £900m compensation package offered to the insurance market's loss-making Names, after discovering a calculation error in its original offer.

The Lloyd's Names' Associations' Working Party said that the admission of the error would further undermine Names' confidence in the offer. It urged names to reject the offer, which it described as "an act of expediency rather than a settlement based on principle or equity."

The revision involves the reallocation of £22m of the total. It will result in an increase in the offer for 13,500 Names of up to £90,000 and a reduction in the offer for 9,300 Names of up to £40,000.

Mr David Rowland, chairman of Lloyd's, described the error as "extremely galling", but said that it should not alter the outcome of the offer.

"For the vast majority of people the scale of the mistake is small in quantum but it does not belittle the fact that the mistake has been made." The Lloyd's Names' Associations' Working Party said it believed Lloyd's was underestimating the size of the misallocated sum, which it believed would exceed £22m. It said the recalculation did not deal with any of its objections of principle and legal detail.

Lloyd's realised it had made an error after receiving a number of queries from action groups and individual Names. On Thursday last week it appointed Coopers & Lybrand, the accountancy firm, to check its calculations. It intends to send out the revised offer to Names mid-way through next week.

As a result of a separate error Lloyd's is reducing the £2.5m offer made to Wellington 406 by £500,000.

# UK car production rise offsets export drop

By Kevin Done, Motor Industry Correspondent

UK car production increased by 9.9 per cent year-on-year in November, as output for the domestic market rose strongly and offset the decline in production for export markets.

Both UK car output and new car sales are forecast to achieve growth next year with increases of 6-7 per cent.

In the first 11 months of the year UK car production at 1,288,594 was 7.7 per cent higher than in the corresponding period a year ago in sharp contrast to the steep fall in output in Germany, France, Italy and Spain.

UK car output for export markets has fallen by 6.4 per cent in the first 11 months this year to 500,817, but this has been compensated by a 19.1 per cent jump in production for the home market to 787,777.

The UK has been virtually the only new car market in west Europe where demand has been growing significantly this year. New car sales in Britain in the first 11 months rose by 12.6 per cent in contrast to an overall fall of close to 15 per cent in the whole of west Europe.

According to forecasts by the SMMT UK car production is expected to rise again next year by around 7 per cent to 1.46m from 1.36m this year, while new car sales in Britain are forecast to rise by about 6 per cent to 1.86m from 1.77m in 1993.

Car production in November totalled 128,401 compared with 116,799 a year ago according to figures released by the Society of Motor Manufacturers and Traders.

Output for the home market in November rose by 77 per cent to 76,841, while production for export markets declined by 30 per cent to 51,560.

UK car output in November was boosted by rising production from the Rover group, Jaguar and IBC Vehicles and by the build-up of production by the Japanese carmakers Toyota and Honda.

Car output has been helped by the UK industry's leading presence in the production of fourwheel drive leisure/utility vehicles.

## Britain in brief

### Lenders see upturn in house prices

A recovery in the UK housing market next year, in spite of factors such as reduced real incomes because of tax increases, is forecast today by the Council of Mortgage Lenders.

The council, which represents building societies and centralised lenders such as banks, says the stabilising of house prices and the likelihood of a small rise next year, together with the reduction in negative equity and better employment prospects will boost confidence.

### Skiers cool on slopes

British skiers are abandoning the slopes this winter, put off by the strong currencies of Switzerland, Austria and France.

Travel companies say the number of ski holidays sold in the UK this year is down 10 per cent to 15 per cent on last winter, despite good snow falls and strong bookings in other European countries.

The fall in skiing trips is in strong contrast to the overall holiday market, where bookings are at record levels. Thomson says that by last week it had already sold 1m holidays for summer next year. By Christmas last year it had sold fewer than 500,000 holidays.

Thomas Cook, the travel agents' chain, says bookings to Switzerland from the UK are down 25 per cent. Austria and France have seen bookings from the UK fall 14 per cent.

Bookings to Italy, however, are up about 20 per cent, helped by the weak Italian lira.

### Andersen plea is rejected

The government yesterday rejected efforts by Arthur Andersen, the accountancy firm, to have its ban on public sector work lifted.

The Treasury Solicitor wrote a letter yesterday to Herbert Smith, Andersen's lawyers, rejecting Andersen's claim that the action could be in breach of European law.

The Treasury said its ban on Andersen obtaining auditing, privatisation advisory and other accounting work would remain in place while litigation was in progress.

Andersen has been precluded from obtaining public sector work for nearly a decade since it was sued by the government for alleged negligence as auditor to De Lorean, the Northern Ireland-based car company.

### New chief for Arts Council

The new chairman of the Arts Council will be Lord Gowrie. He will take over from Lord Palumbo, the present chairman, in April.

Lord Gowrie, 54, was arts minister from 1983 to 1985.

In 1987 he became chairman of auction house Sotheby's Europe. He is to resign this post on December 31 but will continue as a director.

During his chairmanship the Council will take over responsibility for distributing National Lottery revenue to the arts.

### Broadcasting trade group

Mr Michael Heseltine, UK trade and industry secretary, has set up a branch in his department to boost UK broadcasting at home and abroad.

It is the first time that broadcasting has had a specific DTI branch to study its competitiveness and encourage programme exports. The branch, which will be headed by Mr Neil Warman, an assistant secretary, reflects Mr Heseltine's conviction that broadcasting in all its forms represents a significant industrial opportunity for the UK.

Apart from looking at the competitiveness of Britain's broadcasters, Mr Warman's branch will also be responsible for pulling together the DTI view on issues such as further de-regulation of ownership rules and the promised review of cross-media regulations.

### Decline seen in skilled labour

Craft and skilled manual jobs in the UK are expected to decline by as much as 520,000 over the 1990s, a fall of 14 per cent during the decade, a government report says.

Occupational trends and projections to 2000 have been produced by the Institute for Employment Research at the University of Warwick. The forecasts, published yesterday, highlight the increase in higher-level jobs which will require a more highly-skilled workforce. The most rapid growth is expected in the key managerial, professional and technical categories. At the same time the skills content of most jobs is increasing.

The largest proportionate fall, of 35 per cent, will be in the primary industries.

# A roaring trade where MPs trade roars

**David Owen** on the market for House of Commons goods and how a kiosk fills wide-ranging demand

Deep in the Palace of Westminster – between Strangers bar and the staircase to the members' tearoom – business is brisk in the most successful small retail outlet in the country.

Chancellor Kenneth Clarke, in sports jacket and corduroys, peruses the list of chocolates, alcoholic beverages and accessories, all branded with the distinctive House of Commons portcullis, before making his selection.

Mr Tony Banks, never at a loss for a quip, has just told Mr Clarke that if the whole economy was doing as well as this little shop, Britain would be a happier place.

After filling his bulk order, the Labour MP for Newham North West explains that each year he dons his "Father Christmas hat" and gives mints and wine to those who have helped him out in his constituency advice surgery.

Goods from the shop – which range from gunpowder mustard to jacquard-lined dress wallets – are also "useful for raffle prizes at constituencies", he says.

**The shop's merchandise makes popular presents in hospitals**

A few minutes later, a denim-jacketed Mr Calum Macdonald prepares to lug a cardboard box full of sherry and mints towards the members' staircase.

As Labour MP for the remote Western Isles, Mr Macdonald faces the problem of trying to "clamber aboard the shuttle" with his acquisitions.

He more than most appreciates the traditional MPs' privilege of being able to have their orders of whisky sent direct to their constituencies. The shop's merchandise, he says, makes popular presents in hospitals and old people's homes.

Measured by sales per sq ft, this tiny souvenir kiosk outstrips all British rivals. And as with the retail trade in general, the run-up to Christmas is by far its busiest period.

On the heaviest days, Mr Jose Alba, Mr Fidel Benserghine and its other green-jacketed stewards say they can shift as many as 2,500-3,000 boxes of mints and up to 25 boxes of whisky.

According to Mrs Sue Harrison, director of catering services at the Commons, December accounts for nearly one-third of the shop's annual sales, which total some £670,000.

**It ran completely out of chocolates for a couple of days in December**

This turnover figure is doubly impressive since – in the words of a recent catering committee report – there has been "a restriction on the amount of stock which can be available in the kiosk".

This year it ran completely out of chocolates for a couple of days in early December, as a notice to customers attests. "Unfortunately, the after dinner mints, coffee creams and orange creams will not reappear before Christmas due to a manufacturers' packaging deficiency," the notice reads.

Sales are also, for the moment, generated predominantly from the 651 MPs and 3,000 or so others who work in the palace.

But proposals are afoot to change this. Subject to various approvals, a new kiosk – more easily accessible to the 800 tourists a day who tramp through the Commons – may soon be erected in Westminster Hall.

Barring hitches, the new facility could be up and running soon after next year's summer recess and in time for Christmas 1994.

There are even plans for a full-fledged visitor centre. But these are not expected to come to fruition until early in the twenty-first century.

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# Capitalism at Christmas

The world is about to celebrate the most capitalist Christmas in history. Never in 2,000 years has the doctrine of the free market spread so widely across the globe. Communism has been buried, socialism is in deep retreat, and even the hardiest proponents of social democracy are beset by doubt. Adam Smith has vanquished Marx, immobilised Keynes, and turned many thoughts away from Jesus. As to the latter, it may be remarked that while capitalism is by no means incompatible with Christianity, the growth of individualism has been accompanied by a decline in attendance at church. Just as religion is on the defensive, so also democracy and political pluralism, two important doctrines associated with capitalism, are being taken up with less enthusiasm, and in fewer countries, than the system of wealth creation that is now everywhere regarded as the most effective that humanity has yet devised.

No known alternative stands ready for the choosing. The present strength of free enterprise is derived in part from the influence over the past 40 years of the Gatt regime, which liberalised trade and unleashed the power of free markets everywhere. The former Soviet polity, so recently a global threat, simply collapsed under the spectacle of such awesome competition. Christmas 1993 follows hard on the heels of new trade accords, which set up a successor to Gatt, and moved trade liberalisation to a higher gear. The result of the successful completion of the Uruguay Round is likely to be an acceleration of production, a greater accumulation of man-made assets, and an entrenchment of the market as the dominant economic force on the face of the planet.

## Imperfect force

It remains, however, an imperfect force. Even the middle classes, who have benefited most from economic growth, are wrestling with unease. Those in jobs fear that they may lose what they have, while those outside note that however rich the super-rich may get, large-scale unemployment persists. Lower down the income scale the picture is far worse. The 1980s created losers as well as winners, as can be seen on the pavements of New York, London and cities across Europe and the United States. In many cases the poor have become poorer, relatively in some countries, absolutely in others. About two-thirds of the world's population have gained little or no substantial advantage from rapid economic growth. In the developed world, the lowest quartile of income earners has witnessed trickle-up rather than trickle-down.

## Rapid changes

The temptation is to respond by calling for a return to some of the comfortable "certainties" of the past. That would be a mistake. The poor existed under communism, and do even in Europe's most advanced social democracies. The world is changing rapidly; the Atlantic nations in general and Europe in particular face competition from the younger, harsher, more robust capitalism of south Asia. If welfare capitalism is to be sustained, its managers must find new means of controlling its cost, and minimising the cost to employers. Radical policies, centred around the notion of giving the poor a hand-up rather than a hand-out, must be pursued.

There will always be clumsy starts, as with Britain's Child Support Agency, which pursues absent fathers for maintenance payments. Such initial difficulties should not deter politicians and economists from seeking to ensure that the fruits of capitalism do indeed reach the lower quarter of western society, as well as the global two-thirds. The evident need is to find new structures that provide accountability, transparency, choice and genuine care for those who cannot manage for themselves. New methods have to be devised at a cost that is not so high that the productive strength of the rest of the economy is drained away. This is easier said than done.

Christmas is a time when sentimentality is there to be enjoyed. But the true spirit of the festival demands that those who desire an economic success built upon something other than foundations of much misery and deprivation must return to the search for hard-headed strategies. Human economic history has not ended with the triumph of the free market. It has hardly begun.

# A few stars in the east

The cry of pain and hurt pride echoing from the Russian elections and the continuing conflict in Bosnia are reminders of the wrenching nature of the changes which have accompanied the end of the cold war. But four years after the summary execution of Nicolae Ceausescu, the Romanian dictator, which marked the bloody end of an extraordinary year, the overall balance sheet remains positive, by a large margin.

Even the strong electoral showing of Vladimir Zhirinovsky should be seen in context. The Russian people, in all their diversity, were given their first opportunity to express themselves freely in a multi-party, multi-candidate election. The fact that so many expressed anger and frustration after a 75-year totalitarian nightmare and eight years of painful and disorientating disruption, without any relief in sight, is hardly surprising.

The important thing is that Russians, for the first time, now have a legal, constitutional and peaceful way of expressing their views. This is a step forward of incalculable importance for a country where so often in the past repressed popular discontent has found violent issue through the pogrom and the blind savagery of the mob. That said, neither Russians nor the west can be complacent when contemplating what needs to be done to help Russia and the other former Soviet states chart a course for a democratic and prosperous future.

## Communist wreck

Western governments and policymakers would be well advised to listen more carefully to the suggestions emanating from those central and east European states which were militarily occupied subject nations of the late and unlamented Soviet empire only four years ago. The largely inexperienced but courageous people who emerged from the wreckage of communism to take up the challenge of re-building their distorted economies and humiliated civil societies have gained much experience in a short time. They started with an invaluable insight into the working of the Soviet system and have picked up with impressive speed the skills and know-how required to run the infinitely more complex structures of a modern, law-based and market-oriented capitalist society.

What their experience shows is that the necessary structural changes cannot be accomplished without a period of ultimately creative destruction. A large part of any Soviet-style economy, characterised by outsized monopoly producers, grotesquely bloated military industries, primitive banks and under-developed services of all kinds, simply has to be demolished, or drastically cut down in size. This inevitably brings with it a period of rapidly rising, and potentially socially destabilising, unemployment.

## Harsh realities

Four years after facing up to this harsh reality, "fast track" reforming states such as Poland, Hungary and Slovenia have unemployment levels up to 15 per cent of the work force. The Czechs, with low inherited debt, a stronger industrial base and smart political leadership, have managed to prepare for resumed growth without either high inflation or high unemployment. Meanwhile, Poland has become the fastest growing economy in Europe and all the central European states, with the probable exception of Slovakia, will be producing and exporting more in 1994. All have managed the painful return to economic growth while holding multi-party elections and forming functioning parliamentary governments. In September Poland even witnessed a remarkably smooth return to power of parties with their roots in the communist past after free and fair elections.

Central Europe's experience is instructive for Russia, Ukraine and other former Soviet states where the military-industrial complex is so much bigger and structural change has hardly begun. It should also forewarn western policymakers that their top priority must be to focus on the overwhelming need to help set up and partially finance an unemployment insurance and re-training safety net for the inevitable casualties of structural reform. Otherwise Russia could fall into anarchy, which would put at risk all the gains made over the Past four years by post-communist Europe.


The 100th anniversary of the birth of Mao Zedong is the stuff of fairy tales and commercialism, writes **Tony Walker**

# Making money out of Mao

One by one the great Maoist shrines have fallen, not to angry mobs bent on casting out the devils of the past, but to the power of money.

In this 100th anniversary year of the birth of Mao Zedong – he was born on December 26 – a visitor to his birthplace, to his revolutionary strongholds, and to the commune that came to symbolise his most erratic phase would find that celebrations have less to do with the past than they do with cashing in on the present.

Seventeen years after Mao's death, in September 1976, which ended a decade of torment known as the Great Proletarian Cultural Revolution, his centenary has been transformed into a fantasia, even though official celebrations are lukewarm.

China's reformists seek to draw sustenance from association with this deeply flawed icon of the revolution without attracting attention to the stark differences between Mao's policies and their own.

The history of the post-1956 period, during which disaster piled upon disaster, has become a black hole. Pictorial essays, photographic exhibitions, biographical material shudder to a halt from the mid-1950s, before the "anti-rightist" persecutions of 1957, the catastrophic "Great Leap Forward" of 1958 and the madness of the 1966-76 Cultural Revolution.

But these episodes, beyond revision of even the most creative of party chroniclers, have been put aside for the moment. The anniversary makes 1993 a good news year for the party and for Mao. Thus Mao's place in the firmament is the stuff of fairy tales and commercialism.

Like tawdry Christian relics, Mao memorabilia, ranging from jewel-encrusted gold watches with the Great Helmsman's face on the dial, to cigarette lighters playing the Maoist hymn *The East is Red*, are being foisted on an eager public.

It is not the least of paradoxes that in death the man who railed against money as the root of all evil has spawned one of the greatest cottage industries of all time. Traffic in "Maobilia" this year is certain to yield tens of millions of dollars to China's new-rich entrepreneurs.

At Shaoshan village in the green hills of southern China's Hunan province where Mao was born, the rebellious son of a well-to-do peasant grain dealer and money-lender, an oriental Jerusalem has emerged complete with rows of stalls selling trinkets. The only god is *mammon*.

In the Yanan redoubt of northern China where the communists took refuge at the end of the epic Long March of 1935-36, townspeople go about their business without much regard, it seems, for Mao's teachings. Karaoke bars, whose synthetic repertoires include an up-tempo version of *The East is Red*, mock the austere "spirit of Yanan".

Several hundred kilometres to the east at the Dazhai commune, singled out by Mao in 1964 as a model for a communist utopia, the survivors of the zealotry that enveloped this rural hamlet during the Cultural Revolution are quietly getting on with implementing Mr Deng Xiaoping's "capitalist-style" reforms.

Members of the younger generation are becoming factory hands in a garment plant, or workers in a joint venture cement works, or miners in the local coalmine. Unlike their poor fathers who scrabbled in terraced fields to survive, the sons and daughters of Dazhai equip their wedding nests with stereophonic sound systems, refrigerators and TVs.

On walls around this village of 500 people, faint outlines of Maoist Cultural Revolution slogans survive. But superimposed are the bold exhortations of the Deng era.

Archaeologists of future generations may well track the twists and turns of 20th century China by studying wall slogans piled upon each other, and be confused by the apparent sudden shift from Mao's emphasis on collectivisation to Dengist free-market economic policy.

**Traffic in 'Maobilia' is certain to yield tens of millions of dollars to China's battalions of new-rich entrepreneurs**

They might also wonder why this tiny settlement in the barren hills of Shanxi province required a hotel with a dining room capable of seating 800 people. These days, this vast room stands virtually empty, an echo chamber to past excesses when tens of thousands of cadres, including Mr Deng himself, were trucked in to "learn from Dazhai".

Dazhai's small picture exhibition celebrating its revolutionary past includes not only photographs of such visitors as Pol Pot and Mr Lee Kuan Yew of Singapore, but also one of Deng Xiaoping, taken during his rehabilitation in 1973 before he was purged for a second time during the Cultural Revolution.

The expression frozen on Mr Deng's face in black and white is one of deep scepticism. If a picture can be more revealing than words themselves, it seems that China's future leader was saying that hysteria surrounding the "learn from Dazhai" campaign was the last thing China needed if it was to be transformed into a modern state.

Madam Guo, Dazhai's party secretary who gained prominence in the 1960s as the photogenic leader of the "Iron Girl Squad" of peasant workers, appears uncomfortable when conversation turns to the past. Not only were the commune's production figures exaggerated, but its former headman became a tame mascot of the revolution, used by the Maoists as a theatrical prop in remorseless ideological campaigns.

"We started walking forward a bit late because we carried a huge ideological burden," she says. "Now we want to travel light... it's been a very stressful transformation."

But like government officials the length and breadth of China, Madam Guo was not about to forsake the party catechism. "I was a worshipper of Mao, I respected him very much," she declares. "He was a great man." This latter observation is the one that drops, like a mantra, most readily from official lips in this year of "Good Mao".

When asked whether Mao, like other towering figures of history, was deeply flawed, she says: "We are all deeply flawed... after all, he was human. There is no perfect human being on earth. He was a man not a god." One wondered whether such blasphemy might have been possible while the Great Helmsman was still alive.

In Yanan, some six hours' drive north of Xian, China's ancient capital, Mao's compound and those of his senior comrades from the 1930s and 1940s are deserted. Snow lies on the ground and it is bitterly cold, a reminder of the hardships that were endured during the more than decade-long Yanan period.

It was in their simple cave dwellings, cut into the hills of northern China, that Maoist ideology was tempered in long days and nights of debate and discussion. This is where Mao spent more than a decade sheltering from the nationalists. There was scarcely a more important period in the history of the Chinese Communist party.

During this time, Mao consolidated his hold on the party, directed Red Army military operations in a series of stunning victories across China, and married a saucy young actress from Shanghai named Jiang Qing.

And yet, curiously, in the quarter of a century between 1949 and his death in 1976, Mao did not return to the place where he had spent more than a decade sheltering from the nationalists. It was almost as if he wished to avoid the memories, and perhaps even the ghosts of former close comrades-in-arms who served with him in happier days.

At Yanan's museum of revolutionary history, one of China's most complete pictorial records of the early stages of the communist struggle, many of the smiling revolutionary heroes pictured standing shoulder-to-shoulder with Mao eventually became his victims, either before or during the Cultural Revolution.

Some, like Liu Shaoqi, the former president, Peng Dehuai, former defence minister, and He Long, the revolutionary warrior, died miserable deaths after being persecuted by young revolutionaries unleashed by Mao and his supporters. Even Zhu De, the brilliant Red Army commander, suffered persecution and died virtually ignored in July 1976, just two months before Mao passed away.

**'Mao made many serious mistakes. He was a successful wartime leader, but was not so successful in peacetime'**

There was hardly one of Mao's intimate circle in the Yanan period, including Zhou Enlai, who went on to be foreign minister and premier, and Deng Xiaoping, who emerged unscathed in the post-revolution era.

Not one of those pictured in the Yanan gallery, with the possible exception of Kang Sheng, could possibly have predicted that the glorious victory in 1949 would have produced the nightmare of the decades 1956-1976. The shadowy Kang became Mao's secret police chief and evil genius behind the mass campaigns and persecutions of the Cultural Revolution.

At Yanan university, like countless institutions across China, the department of political science has been evaluating Mao's contribution to Chinese history. The results of these judgments have followed a predictable course, adhering to the party's own assessment made in the early 1980s that the chairman had made "mistakes", but on the whole his contribution to the revolution far outweighed those errors.

Mr Feng, director of Yanan's political science faculty, perhaps came as close as any Chinese official might to an admission that more time was needed before an unexpurgated version of Mao's life and works might be possible. "The time is not ripe yet for a complete assessment," he said. "He was a very complicated man and revolutionary."

His colleague, Mr Li Xin Chang, added: "All in all Mao made quite a few serious mistakes. He was a successful leader in wartime, but he was not so successful in peacetime." There would appear to be ample scope for future Chinese historians.

In Beijing, the custodians of the Central Party Archives have been churning out Mao literature to mark the centenary, while studiously avoiding controversy. Five books have been published, including a compendium of his Selected Works drawn from Volumes 1-4 dealing with the (safe) pre-1949 period; a digest of his military speeches; a non-controversial biography of the 1893-1949 era; an idealised pictorial essay; and a sugary tribute from former associates, including his bodyguards.

Likewise, Mao's speeches captured on tapes and laser discs and distributed in their thousands to mark the anniversary do not trespass beyond the "Great Wall of Silence" of 1956. This was the year before the "Hundred Flowers Campaign" of 1957, which led to the anti-rightist purges and disastrous "Great Leap Forward" in economic policy, which left in its wake terrible famine and hardship.

Mr Wang Yuyao, head of the Mao Zedong Research Group at the Central Party Archives, was hazy about when there might be further volumes of Mao's works covering the period after 1957 to his death in 1976, saying merely that an enormous amount of preparation was required.

But the last entry in volume five of the Selected Works of Mao Zedong (published in 1977), by recalling his famous statement that "all reactionaries are paper tigers", shows that much of his thinking was not as prescient as his followers liked to believe. "US imperialism has not yet been overthrown and it has the atom bomb, but I believe it too is a paper tiger and will be overthrown," Mao wrote in November 1957. Unlike Nostradamus, Mao was not in the habit of saying when his predictions might come true.

Mr Wang made no attempt to disguise his organisation's mission in this "good news year" of the Mao centenary. "We want to make the best use of Mao's good thoughts," he declared. "Psychologically speaking, the masses would rather think of Mao in a positive way for the good things he has done for the people."

# Fragile harmony when shouting stops

Letter from CAIRO

A Christmas morning lull is inconceivable in the teeming chaos of Imbaba, the poor Cairo suburb which in the past two years has become a byword for militant Islamic fundamentalism. The morning will pass with the same incessant hubbub of daily life as any other.

Indeed, it is hard to conceive of anyone enjoying a *peaceful* Christmas or anything else in Imbaba, where the few klaxoning cars which manage to negotiate its narrow, mud-caked streets – through the ditches, the donkey carts, the street-vendors, the mounds of rubbish and hundreds of scampering children – are barely audible above the din of people going about their business.

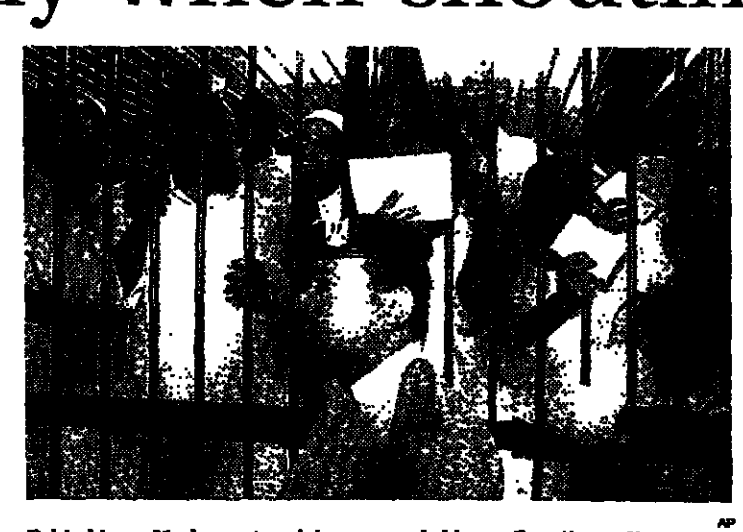
But the few Coptic Christians whose homes and shops are scattered throughout what one Islamic militant leader last year declared the "Islamic state" of Imbaba believe that this Christmas will, at least, be more secure than last. "It is much better than it was, the harassment has decreased," says Sabri, a 23-year-old Copt who sells spitroast chicken from a spartan grill on Luxor Street. "The people who used to insult us have been arrested – there are no more left."

Across the road from his café more than 200 Christians gather in the simple Church of Jesus, men and women sitting apart in the undecorated church. It is adorned only with three neon-lit crosses above the altar, a few ceiling fans and some dusty but incongruously ornate chandeliers. The priest implores the faithful to raise their eyes from their poor lot and "work not for this life, but the next". At the back, a uniformed security guard keeps vigil. State security agents materialise instantly from the crowds outside to try to deflect the curiosity of this visiting journalist.

It is such watchful eyes which will assure a safe Christmas, says Sabri. "This year we will celebrate Christmas and new year properly," he continues. "I feel we can this time. Last year the ones with beards stood outside the church – there was no feeling of festivity."

The "ones with beards" are the militant Islamic fundamentalists who lent Imbaba its notoriety as they began to tighten their grip on the million people who live in the suburb's warren of bare-brick apartments and filthy streets. Preaching an absolutist Islam and a violent defiance of Egypt's secular government, these young men attacked "un-Islamic" video shops and hairdressing salons, rounded on Moslems who drank alcohol and forced women who were not already doing so to don the veil. "Islamic law is being applied in Imbaba," one self-proclaimed young "emir" said at the time, "and, God willing, it will be applied to all of Egypt."

Up to a year ago, the militants were also harassing Imbaba's few Christians. Nobody was physically assaulted, says Sabri, but the threatening attention disturbed the otherwise calm coexistence of the two great faiths in the suburb. It was a peace, tinged perhaps with suspicion but only rare violence, which has characterised Coptic-Islamic relations in Egypt since Islam arrived from the Arabian Peninsula in the 17th century and quickly won predominance over the Coptic (which means Egyptian) Church, founded by St Mark in 41AD.


Behind bars: Moslem extremists are guarded by an Egyptian policeman AP

But the surge of Islamic fundamentalism over the past two years, one rooted in growing poverty and disaffection with the government, began to poison social relations in Imbaba and elsewhere. Sabri recalls how, every Tuesday night, militants would gather outside the Church of Jesus. Some would brandish swords and knives, others would chant "kill the infidels". One night they tried unsuccessfully to torch the church.

Anis, a 50-year-old Copt whose tiny tailor shop also sits across Luxor Street from the Church of Jesus, says he feared an explosion of anti-Christian feeling. "I felt that everyone, all the young unemployed men here, would join them. If the government hadn't come in, I don't know what would have happened."

But the government did come in – mainly in an attempt to crush the cells of Islamic extremists it believed were using the central Cairo district as a base from which to launch bombings and shootings. Goaded by claims that Imbaba had become an Islamic state-within-a-state, the government one night in December last year flooded Imbaba with 14,000 armed troops and hauled off 600 alleged ringleaders.

More arrests followed throughout January and February. The government then signalled its resolve to smash the extremists in March by launching a series of bloody raids on alleged extremist hide-outs, shooting 14 people dead in their homes. Since then, says Anis, the harassment has ceased. Gangs no longer gather to glower threateningly at the icon of Christ which adorns his shopfront. He no longer has to wash off black paint daubed over the holy image.

Life, he says, has resumed its normal flow. But Anis does not speak comfortingly of the future. "If the government keeps a grip on things, then we can continue to live together," he says. "If not, then no."

The government's priority, he says, is to conquer militant fundamentalism, not to protect Christians. "Look at what is happening in Upper Egypt," he adds. He is referring to clashes between militants and Copts in the villages around the Islamic strongholds of Dairut and Assiut. These flared into bloody clashes 20 months ago which eventually subsided. But sporadic killings continue and at least a dozen Copts have been slain in Upper Egypt in the past two months. "The government just lets things go – the extremists kill Christians there, but they do nothing to protect them," Anis says.

**Mark Nicholson**

# Perfect Christmas bliss, virtually

**Louise Kehoe's** diary of a 21st-century working mother fell through a time warp into the hands of the FT

I've finished my Christmas shopping at last. It's taken me hours, but Harry, my personal assistant, came up with some really great ideas. He took me "net surfing" around the world's shopping malls to find just the right thing for everyone on my list.

I even found the perfect gift for my brother, Francis, the "young man who has everything". We found a store in Tokyo selling a brand new line of calendars that automatically adjust to local time zones. I'm sure he will like it because as a network bandwidth broker – selling time on worldwide digital communications networks – he spends much of his day in international video meetings.

I asked the store to design the calendar with some original sports graphics. I'm really looking *forward* to seeing the look on Francis's face, Christmas morning, when he logs on to the network and finds the calendar has been downloaded on to his personal organiser.

For my husband I ordered *You're the 49er Quarterback*, an interactive fantasy game. My daughter, Beth, 16, will get a driving simulator and a new pocket video phone. My 14-year-old son wanted a virtual girlfriend. I'm not sure that I approve, but better that than the human variety, I suppose. Perhaps a subscription to Starnet, the latest science fiction network, would keep his mind on galactic travel.

**These days most people have hologram Christmas trees. But I prefer the real thing**

Jessie, 8, my younger daughter, has asked Santa for a "walking, talking Barbie" with long blonde hair, like her own. Harry had to scour the country to find one. It is the hit toy of the year and most stores have sold out.

*I also bought a new kitchen* control unit for my parents. They still use a portable personal computer to programme their kitchen and it is so much nicer to have a built-in model.

The whole family – my parents in Cheshire, my brothers and their wives and children in various parts of the UK and my sister, who is working on a big computerised library project in Spain – will all be gathering "virtually" for Christmas dinner, via video links. Harry arranged the whole thing for me via DinersNet. We chose the traditional holiday package: turkey and all the trimmings. The food will be delivered to our homes on Christmas eve. Harry has E-mailed the cooking instructions to everyone's chief assistants so that their kitchens will be pre-programmed.

As a surprise I arranged for live Christmas trees to be delivered along with the food. These days most people have hologram trees, but to me there is nothing quite like the real thing, even if it does mean cleaning up pine needles.

We booked the video links months in advance. It is still expensive, but the price is coming down by the month. In any case, I wanted to put *our new "life size"* displays to use. We just had them installed in the dining room, so we will literally be surrounded by family members for Christmas dinner.

This will be the first Christmas that we have all been together for years. No doubt there will be a lot of reminiscing. Mum is sure to bring out her collection of old family photographs. Her grandchildren have a hard time believing that we used to snap pictures with little hand-held cameras and then take the film to a photograph developer, waiting for hours or days to get back a set of prints.

These days it's all digital imaging. We can play back Christmas dinner over and over if we choose, or capture a special moment and record it on a wallet-sized smartcard that plugs into any display terminal.


The youngsters have no idea what we used to go through getting ready for *Christmas*; fighting the traffic and traipsing through shopping malls to buy presents and then spending most of Christmas day in the kitchen fretting over the turkey.

The information highway changed all that. By the mid-1990s TV shopping was already very popular. Then electronic catalogues stored on computer discs became all the rage. Now you can access almost any shop on the planet and arrange for express delivery of goods. It makes life so much easier.

But I would be lost without Harry. He's my right-hand man, my network guide; a sort of Jeeves character, like a family butler. I designed his personality myself, choosing attributes from an electronic directory. His facial image was created automatically to match. They say that the personality of your digital assistant tells a lot about your own character.

I'm rather old-fashioned. For example, I still like to read newspapers printed on paper. That is considered rather eccentric these days. Of course, I also have my multi-media text, graphics and video "personal newssource" downloaded to my office screen every morning, with news that relates to my business. But I enjoy flicking through the pink pages, just for old times' sake. Besides, even the best news assistants don't always pick out everything that might interest you.

For instance there was a ghastly story in yesterday's paper about a virus, called Homewrecker. It got into somebody's home and caused havoc with the environmental controls. The heating system blew up, the refrigerator defrosted and water pipes burst. It is hard to believe that the security sensors would not have picked something up, but I imagine they must have been disabled by the virus. I must ask Harry to run an extra virus scan on our home network.

So much for the wonders of home automation. Harry says I shouldn't read "paper news" because it always stresses the negative aspects of the "information age". Of course, he would say that. He's digital.

I'm not one of those "anti-tech" types, but I do have some reservations. I'm not convinced that information technology is always good for the environment. Electronic communications have vastly reduced the use of paper, but the average consumption of electricity, per household, is climbing. And with the paper industry in decline, there is little incentive for companies to maintain the forests they used to harvest. The ecological impact of technology is becoming very complex.

On the other hand, there is no doubt the information superhighway has created new opportunities. My daughter is studying at an on-line university and I am taking courses in multi-media production.

The biggest change, however, has been in our home life. Now we all work at home, telecommuting to our jobs. We've been able to cut back from three cars to one, but the savings have gone into financing an extension to the house for our offices.

Some people find it hard to adapt to being "homebound". It doesn't help that land travel is becoming so expensive. We can visit distant cities electronically at a touch of the screen, but transporting your body has become a real luxury.

Personally, I don't miss those supersonic flights. I always felt disoriented when landing in a foreign country and the jet lag was awful. These days I like to take the occasional "virtual vacation" right here in my living room. Last month I took a trip on HawaiiNet. I just put on my swimsuit and basked in the sights, sounds and aromas of white sands and swaying palm trees. You can't beat it.

Enough of this dreaming. I must get back to writing Christmas cards. I send them on MailNet, which only takes a few seconds, but I like to write a personal greeting on each one.

Then we are off to see Santa Claus. Even he is electronic now. The children would never miss seeing Santa's reindeer pulling his sleigh through the sky on Christmas eve. The image is created with high-power lights reflected on a simulated cloud, but we try to keep that a secret. Not for much longer in this family, I fear. Yesterday, my daughter Jessie asked me if Santa Claus is "virtual". What could I say?

**John Willman** examines political capital and human suffering

# Mercy's short shelf-life

Unless you pay particularly close attention to the small print in the newspapers, you probably won't know who Faruk Catisbusic is.

Seven-year-old Faruk was among the six children and one adult evacuated from central Bosnia this week for urgent medical treatment in the UK as part of Operation Angel. He is now in the Midlands Centre for Neurosurgery in Smethwick, recovering after an operation to remove shrapnel from his brain.

Rather more familiar will be the name of Irma Hadzimuratovic. Irma's evacuation from Sarajevo became the subject of fleeting worldwide interest in August after Mr John Major, UK prime minister, intervened to offer the gravely injured girl a hospital bed in Britain.

Mr Major's intervention sparked a much bigger evacuation drive, dubbed Operation Irma, to airlift people needing medical treatment from Bosnia to the UK, Sweden, Ireland, the US and several other European and Islamic countries.

Newspapers devoted their pages to report on the plight of children and other non-combatants in the former Yugoslav republic. TV and radio news bulletins led on little else for much of the week.

Yet this week's Operation Angel evacuation has received only cursory coverage in the UK media. The tabloid newspapers have given at least as much space to the video link-up between British soldiers in the former Yugoslavia and their families at home.

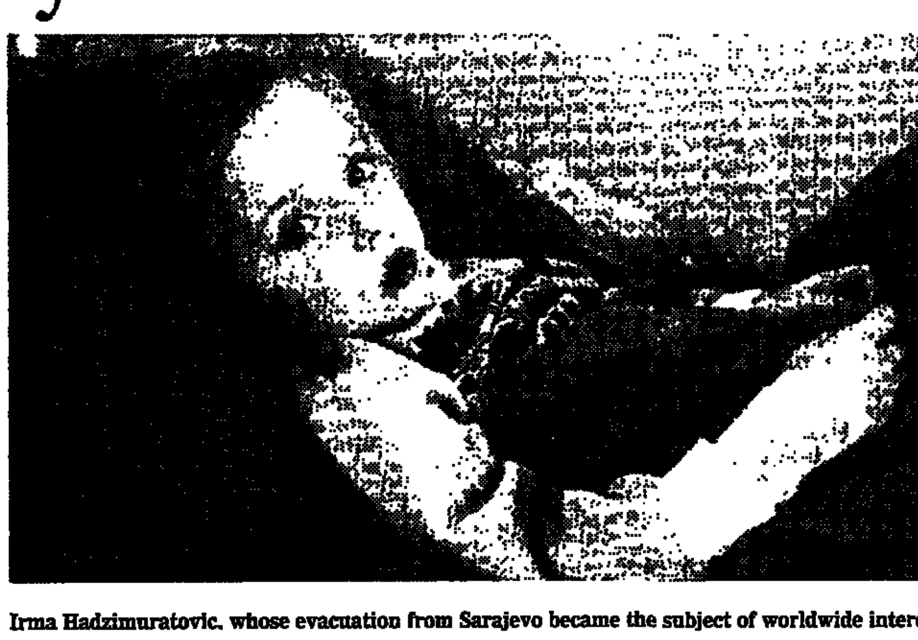
The contrast between the two evacuation operations could hardly be more striking. The first came in the middle of what is known as the "the silly season". With most politicians and many newspaper readers on holiday, there is often little of substance to report in August. A human interest story can attract much more attention than at busier periods of the year.

So it was with the case of "little Irma" as the wounded child became known. The five-year-old had suffered head, stomach and spinal injuries at the end of July in a random mortar attack by the Bosnian Serb army laying siege to Sarajevo. Her mother had been killed, and Irma seemed unlikely to recover from her injuries in primitive hospital conditions.

The main stumbling block to her evacuation was the shortage of hospital beds available in other countries. Between April and August, only 90 people were evacuated from Bosnia on medical grounds.

But a Sunday evening news report of Irma's plight on BBC television began to open doors. As calls poured into Downing Street, Mr Major ordered an RAF Hercules to bring back Irma, her father and sister. By Monday evening, Irma was in London's Great Ormond Street children's hospital, undergoing a three-hour operation.

With a further 20 refugees on their way to Britain, the prime minister's intervention was followed by other countries. More than 2,000 hospital beds have since been offered in more than 20 countries. Ms Sylvana Foa of the United Nations High Commissioner for Refugees says that the change in attitudes after 16 months of indifference from western countries was like "day following night".



UPP

Irma Hadzimuratovic, whose evacuation from Sarajevo became the subject of worldwide interest

But Irma and the 41 other evacuees flown out that week were not the only people to benefit. For Mr Major, Operation Irma marked a turning point in a year when good news had been in short supply.

The exit of sterling from the European exchange rate mechanism, the battle to ratify the Maastricht Treaty, the slow economic recovery, and hefty tax increases announced in the spring Budget had culminated in two Tory by-election defeats in the formerly safe seats of Newbury and Christchurch. The prime minister could now bathe in the approbation of those who welcomed the lead he had given through this humanitarian gesture.

The goodwill generated by Mr Major's intervention on behalf of the Bosnian refugees was, however, dented after it was reported that Downing Street was unhappy with the preponderance of adults in the airlift. The UNHCR's Ms Foa says it appeared Mr Major wanted to see photogenic children rather than the adults who made up the bulk of those needing evacuation. She accused Britain of using Sarajevo as a "supermarket".

Further criticism followed about the preference of western governments for high-profile evacuations of sick children over more basic, cost-effective aid to those treating the injured on the ground. Even the families of the evacuees called for international military action to stop the fighting which caused the suffering, rather than palliative rescue missions.

Four months on, the plight of the people of Bosnia no longer catches the attention of the public or the media. Christmas has its own silly season, but it tends to focus on domestic concerns. Charities can raise money for the homeless in Britain, but know that it is a bad time to involve the public in suffering in far-off countries.

The success of the rock singer Bob Geldof's "Do they know it's Christmas", the Band Aid record that raised £8m for Ethiopian famine victims in 1984, was the exception that proved the rule.

Most of the politicians who jumped on the bandwagon of Operation Irma now want Bosnia's government to accept the settlement brokered by Lord Owen and Mr Thorvald Stoltenberg, the international mediators. Mr Major, over the worst of his troubles, looks instead to peace in Northern Ireland – a much greater prize in UK political terms.

As for Irma Hadzimuratovic, she remains in intensive care on a ventilator in London's Great Ormond Street hospital. Like Faruk Catisbusic and the 400 other evacuees brought out of Bosnia since August, Irma is the beneficiary of intense media interest in individual suffering. But thousands more are stranded in the middle of a civil war which sees no sign of an early end.

Mobile phones are still costly, but many now consider them a necessity, says **Andrew Adonis**

# The essential connection

*O reason not the need! Our basest beggars*
*Are in the poorest thing superfluous*

King Lear, going mad, realised that "need" is relative. But for those beyond the stage of worrying about food and heat this Christmas, the mobile phone is fast becoming a basic necessity on a par with the freezer and the microwave.

With Cellnet, the UK's second-largest mobile phone operator, connecting almost as many new customers to its network this month as in the whole of 1992, mobile phone sales are increasing exponentially. By new year, the UK's three operators will have a total of nearly 2m subscribers.

Already the mobile phone is more than a yuppie toy or business accessory. West Yorkshire Police has lent 75 mobile phones to victims of domestic violence for use in emergencies; for safety reasons Southwark council in London equips most of its social workers with mobiles; health authorities now give them to midwives to speed communication, and have a pool for other nurses.

"The phones have made a tremendous difference," said Chief Superintendent Gary Haigh of West Yorkshire Police. "The women at risk don't feel as isolated. They can call us by pressing three digits and we know exactly who they are even if they can't speak."


A survey by Ms Joyce Wood, a visiting fellow at Sussex University, shows that the popular image of mobile phone users as swanky businessmen no longer tells the whole story*. Growth areas include vulnerable groups and blue-collar workers who deal directly with customers.

Since the launch of the mobile phone in the mid-1980s, self-employed mobile workers have been prime customers. Next year's north London *Yellow Pages* directory of business telephone numbers gives mobile numbers for 30 plumbers, for example – up from 16 this year. "It's business," said a self-employed taxi driver in central London. "You don't have a mobile, and you lose jobs to others."

Now, according to Ms Wood, large companies are also equipping their mobile staff – such as gas fitters or railway officials – with handsets. "The stereotype is being turned upside down. And though the number of 'non-professional' users is still small, the fact that mobile phones are being seen in the hands of ordinary people is vital to creating a mass market."

But however ordinary they become, mobile phone sales will still depend on price. At the moment, the cost is prohibitive for most people. Mercury One-2-One, the new cellular network covering the London region, has done more than any other operator to popularise the mobile phone, with free local calls in the evening for non-business subscribers. But to get free calls requires a handset costing at least £350, a £23.50 connection fee, and a £14.70 monthly subscription – a total of £550 in the first year before a single call has been made.

Nevertheless, among the more affluent, attitudes are clearly shifting away from the idea that a mobile phone is a luxury. The Carphone Warehouse on London's Marylebone Road has been packed this week with the well heeled, claiming they had to have a mobile phone to do their job or move about safely.

"For me it's pretty well essential," said Mr Nick Saunders, a business consultant from north London who commutes to Surrey. "I'm buying one for myself and one for my partner for Christmas: with the crime rate going up, I don't like her doing long journeys in the car alone."

Most of the others in the shop were men, on high salaries, buying mobiles for Santa to pass on – "though Christmas is just the excuse for spending the money now", said an oil broker. One female investment banker was splashing out on the most expensive phone in the shop (£400) for her husband's stocking. "But I figure I'll get to use it more than him, so it's a bit self-interested."

Mr Charles Dunstone, Carphone Warehouse's 28-year-old managing director, started the business four years ago with £6,000 and a tiny office. Now he has 115 employees, owns a mail order business and 17 shops – mostly opened this year – and is one of Capital Radio's biggest advertisers.

"The yuppie stigma is fading fast," said Mr Dunstone. "Since Mercury One-2-One got going with the free calls, our inquiry lines have been jammed – and many of those who think they can't afford one now will be in when the next round of price cuts takes place."

The location of Mr Dunstone's other stores in London sums up the state of the mobile phone market: Harrods, Moorgate, Fleet Street, King's Road, Watford, Croydon, Staples Corner and Thurrock – the first four in upper-crust or City locations, the latter four in middle-brow commuting towns. Across the country, the picture is similar.

In an effort to broaden the market network operators are competing to offer attractive tariffs for infrequent users. There is room for growth: the 2m mobile phones in use compares with more than 20m BT lines. Handset prices are also falling fast: one dealer in Surrey – Sell Phones Direct – is selling them for 99p, if the customer pays the subscription charges. With a fourth national network, Microtel, to be launched next year, the price war will only hot up.

Meanwhile, for those who *need* the latest and most expensive, a digital network has been launched by Vodafone, the largest UK operator, which allows users to make mobile phone calls across Europe. The cost in the first year of buying and running the phone, before making calls, is about £850. One of Mr Dunstone's first customers for the new network was industrialist Lord Hanson. No doubt he finds it essential.

* *Available from SPRU Publications, Sussex University, Falmer, Brighton BN1 9RF, £50*

## Equity scheme balances interests in insolvencies

*From Mr Philippe Aghion, Mr Oliver Hart and Mr John Moore.*

Sir, The recent consultative document published by the Department of Trade and Industry's insolvency service has raised the general question of how best to rescue financially distressed companies. While we welcome the idea of improving the rules governing administration and company voluntary arrangements, we think there is a fundamental problem with current procedures that no amount of tinkering will solve.

Current procedures mix the decision of what should happen to an insolvent company with the decision of who should get what. This creates conflicts of interest. Senior/secured creditors typically favour early liquidation, since they bear most of the costs from trying to reorganise the company, but enjoy few of the gains. Conversely, junior creditors typically push for reorganisation as they get little from liquidation. This conflict of interest makes it difficult to agree on a rescue plan. As a result, good companies can be needlessly shut down and some bad companies may be allowed to struggle on for too long.

There is a way to avoid conflict among creditors. In an appendix of the DTI document, we propose a scheme whereby debt claims are converted into equity. The decision about whether to reorganise or liquidate is then put to a vote. The merit of our scheme is that all claimants, now that they are shareholders, have a common interest in voting for the efficient outcome.

We urge the government and interested parties to think more adventurously about the reform of insolvency law. We believe our scheme is practical, cheap, and strikes the right balance between rescuing good firms and weeding out bad ones.

Philippe Aghion,
*Nuffield College, Oxford*
Oliver Hart,
*Harvard University*
John Moore,
*London School of Economics*

# LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

## Entente not cordiale this Noel

*From Mr Philippe Combin.*

Sir, Mr Michael Thompson Noel suggests to French people that "they must ditch their dead language". The contents of his feature ("English yes, French non", December 18/19), which can be quoted as a model of jingoism, is so witty that his portrait shows him to be laughing at his own jokes.

Mr Thompson Noel (should I say Mr Thompson Christmas?) is outraged by French drivers being unable to understand his gracious insults.

A "large yellow Citroën" (ask Mr Stuart Marshall, your excellent motoring correspondent, if he has ever seen a lot of this type and colour) nearly touched his Rover, "a noble and lineal descendant of the Spitfire aircraft".

Maybe he was keeping to the left side of the road as a proud Englishman should do everywhere. Anyway, it is a pity that the Parisian driver could not appreciate it. He would certainly have replied in the language of Shakespeare and Mickey Mouse that he would have believed that Rover was now merely a subsidiary of Honda.

Mr Thompson Christmas is absolutely correct as regards speaking foreign dialects. Some stupid natives are entrenched in the belief that English is not the only key to a civilised world.

Why didn't Fellini realise that "Such a Good Life" instead of "La Dolce Vita" would have earned many dollars more? Why do Frenchmen prefer their own way of cooking instead of a "leg of lamb in mint sauce"? And why doesn't the Parthenon stand in Marble Arch?

So "cultural identity" is farcical and "Nobody on the planet ... likes the French". As a Frenchman (nobody is perfect), I apologise for our arrogance and rudeness and I am very grateful to your writer to have taught me some English.

I was looking for the translation of what is said in the Bible about "la paille et la poutre". My Collins dictionary tells me "It's the pot calling the kettle black ..."

Philippe Combin,
*9 avenue Victor Hugo,*
*75116 Paris,*
*France*

*From Mr J M Leal da Silva.*

Sir, I found your article "English yes, French non" unfair to French as a language and, by extrapolation, to all other non-American speaking peoples.

Best regards and a Merry Noel.

J M Leal da Silva,
*PO Box 29,*
*P-2831 Barreiro,*
*Portugal*

## Rights need safeguarding

*From Mr Derek H Broome.*

Sir, Mr Iain Saville (Letters, December 17) misses the point in his reply to Mr J D Whittle (Letters, December 11/12) with regard to the impact of the proposed Crest share settlement system.

Most of us would welcome the chance to get rid of all those bits of paper that are processed in the City and at registrars, provided that our rights as shareholders were safeguarded. We are now being asked to surrender these rights or pay extra, and have to keep certificates as well.

Crest is protecting the position of redundant registrars and operators of nominee accounts at the expense of private shareholders. Why?

Derek H Broome,
*Potters End,*
*Mears Ashby,*
*Northampton NN6 0DZ*

## Nothing to crow about

*From Mr Bruce V Jones.*

Sir, Your choice of cockfighting for an article was disturbing ("A life of sex, food and fighting", December 18). It gave a favourable, even enthusiastic, description of the "sport".

If your writer had expressed *misgivings, or attempted to* explain why such practices are banned in civilised countries, there might have been some mitigating circumstance. To describe death in 30 seconds as lacking in cruelty and comparable with a commercial poultry operation, shows a serious lack, or deliberate denial, of knowledge of both physiology and the poultry industry.

Apart from the fact that death is not always instantaneous, additional pre-fight preparation by live plucking of leg feathers and other niceties were overlooked. The issue is not only that of needless cruelty to a sentient being, but the consequent brutalising of the participating audience, including, I suggest, your writer.

The UK has a much respected image for its positive attitudes to animal welfare. Your author does nothing to strengthen this perception and can only tend to make it difficult for those of us who work in the international livestock and animal health markets.

Bruce V Jones,
*managing director,*
*Vivash-Jones International,*
*Down Ampney, Cirencester,*
*Gloucestershire GL7 5QW*

## Hong Kong: flawed perception

*From J W Hoe.*

Sir, The leased territories in Hong Kong must be returned to the landlord, the People's Republic of China. If Britain feels morally responsible for the sub-tenants, the people of Hong Kong, then it should provide another place of abode the those of them who do not wish to live directly under the rules laid down by the landlord.

Any other action is an admission of flawed moral perceptions.

J W Hoe,
*17 Queen's Road,*
*Singapore 1026*

£45.8m debt-for-equity swap and placing and open offer for £30m

# YJ Lovell restructures finances

By Tim Burt

YJ Lovell (Holdings), the builder and property developer, has announced a capital restructuring. The agreement followed negotiations lasting more than a year with six banks, four building societies and one US lender.

Lovell's creditors have agreed to a £45.8m debt-to-equity swap and given the go-ahead for a placing and open offer.

The restructuring, expected to inject £60.6m into the balance sheet, will reduce gearing from about 400 per cent to 29.5 per cent.

Mr Antony Hichens, chairman, said without a radical reorganisation the group "would have gone into orderly liquidation".

He added that "less than competent" managers had over-extended the company in the 1980s. The group has endured three successive years of large pre-tax losses since 1990.

The group also announced that in the year to September 30 the pre-tax deficit reached £60m against a shortfall of £27m last time, restated for FRS 3. Lovell blamed the sharp decline on £55.3m in property and land write-offs, mostly in the US.

The figures were further depressed by interest charges of £5m (£7.71m). Increased borrowing pushed off-balance sheet gearing, the debt incurred on joint venture business, up to 650 per cent.

Turnover totalled £221.3m (£274.8m) of which £207.8m (£244.5m) related to continuing core activities. Losses per share came out at 71.2p (30.4p) and the final dividend is again omitted.

Hoping to shed some light on the results, Lovell said its core businesses reported an operating profit of £368,000 although this was down sharply on a £16.2m gain last time.

Faced with few signs of an imminent upturn in the property market, Mr Bob Sellier, chief executive, said the company would be reducing its US operations and hinted at UK disposals.

He predicted it would compete more effectively once the capital restructuring, placing and open offer had been completed.

Under the restructuring, Lovell's principal creditors have agreed to swap £45.8m of debt for 45.8m convertible preference shares. The banks will be able to take ordinary shares at 12¼p once the issue has been fully completed in two years' time.

Separately, Lovell is placing 316m new ordinary shares at 10p to raise £29.7m net of expenses. The open offer has been made on a 19-for-5 basis for existing shareholders.

The company has agreed to reduce the nominal 25p value of existing shares to 1p as part of the capital reorganisation and then consolidate them into 10p shares. It will also effect a capital reduction to eliminate the deficit on the profit and loss account.

The banks have also agreed to further borrowing of £37.5m, made up of a £25m four year term loan and up to £12.5m in working capital facilities.

Once completed the restructuring, open offer and placing will give the banks and other creditors a 49 per cent stake and new shareholders will control 40 per cent.

After unveiling the restructuring, Mr Hichens said he would "make way for a new chairman following the reconstruction of the company's finances".

Mr Trevor West, finance director since 1989, is to take early retirement.

The shares closed down ¼p at 11¼p.

# Tomkins reassures shareholders over currency hedging arrangements

By Maggie Urry

Tomkins, the diversified industrial group, has written to its institutional shareholders and to stockbrokers' analysts describing its policy on currency swaps. It uses the swaps to hedge the currency risk on its overseas assets.

The group, which has about half its assets outside the UK, mostly in North America, has met some criticism for using swaps which create off-balance sheet assets and liabilities.

Some investors fear that Tomkins could be exposed to large "invisible" liabilities. They recall that Allied-Lyons, the drinks and food group, lost £150m in March 1991 by speculating on the dollar.

Tomkins believes the criticism stems from a misunderstanding of its currency swaps and the tight management controls it has instituted, which were lacking in the Allied-Lyons case. It hopes to clear up this misunderstanding through its letter.

Swaps are set up between two parties wishing to exchange exposures. In a currency swap one side might have a dollar debt but prefer a sterling liability. It would swap the exposure with a counterparty with the opposite aim. When the swap expires the money is swapped back at the new exchange rate.

Because Tomkins uses such swaps to hedge its assets, if the exchange rate moves so that it loses on the swap, it will automatically make an equivalent gain on the assets.

Tomkins' annual reports show the fluctuations in its net assets due to foreign exchange movements have been minimal. Other companies have suffered relatively larger falls.

In addition, Tomkins usually receives income from its dollar/sterling swaps, which amounted to £10.6m in the year to end-April 1993, which it discloses each year.

Most companies with subsidiaries overseas match the assets with a similar amount of debt.

However, Tomkins has always preferred to be ungeared. If it borrowed in dollars to match its dollar assets it would then have surplus cash to invest in the UK. Hanson, the Anglo-American conglomerate, has taken this route and made money on the interest differential between dollars and sterling.

In its letter Tomkins said it used to follow this policy but found it "ballooned" both sides of the balance sheet, which Mr Ian Duncan, finance director, said made the balance sheet unrepresentative of the underlying business.

Further there is a concern that the US tax authorities are increasingly unwilling to allow US subsidiaries to offset interest on an abnormal amount of debt against US profits since this reduces the tax take.

Tomkins said it takes a number of steps to minimise risk. It has a number of swaps running at any one time, it only deals with counter-parties with strong credit ratings, the swaps are "marked to market" every 90 days, and Tomkins re-evaluates its exposure to each currency to within £500,000 each month so that it is never significantly over or under-hedged.

Mr Duncan supervises the swaps, and the banks the group deals with are instructed to check with him before Tomkins' treasury staff can arrange any unusual deals.

## DIVIDENDS ANNOUNCED

| | | Current payment | Date of payment | Corres-ponding dividend | Total for year | Total last year |
|---|---|---|---|---|---|---|
| Danae Inv Trust | int | 3.375 | Feb 28 | 3.375 | - | 7.95 |
| Kelsey Inds | fin | 5 | Mar 9 | 5 | 8 | 13 |

Dividends shown pence per share net.



# Cookson pays £37m for JM's jewellery arm

By Peggy Hollinger

Cookson Group, the industrial materials group, is reinforcing its presence in the European precious metals market with the £37m purchase of Johnson Matthey's jewellery materials operations.

The move follows rumours that the two companies intended to merge their precious metals divisions. Mr Richard Oster, Cookson's chief executive, said speculation had been sparked by negotiations for yesterday's deal.

Cookson will pay £17m in cash for the operation, based in Dublin and Birmingham, which sells semi-finished gold, silver and other precious metals to jewellers, dentists and the electronics and electrical industries. A further £20m will be paid for the precious metal.

The business, which had sales of £44m in the year to March 31, will be combined with the recently acquired Knight Stern company.

Mr Chris Clark of Johnson Matthey said the proceeds would be used to reduce debt, which was about £120m in September. Jewellery materials did not fit the company's strategy, he said. Nor had it achieved the required 20 per cent return on net assets.

Mr Oster said Cookson would increase the return by improving efficiency and bringing technological expertise from its Stern Leach jewellery materials business in the US. Last year, Cookson had achieved returns there of about 35 per cent on assets.

Non-executives: Sir Robin Biggam, left and Lord Hesketh

# BAe names four new directors

British Aerospace has added four new names to its board of directors in a move to strengthen the management team ahead of the departure of Mr George Simpson, deputy chief executive and chairman of Rover, the company's car building business, writes Daniel Green.

Mr Mike Turner, chairman and managing director of BAe's regional aircraft division, and Mr John Weston, chairman and managing director of the defence business, are joining as executives.

Lord Hesketh, former government chief whip in the Lords and minister of state in the Department of Trade and Industry, and Sir Robin Biggam, chairman of BICC, the cable and construction group are to become non-executives.

In October, Lord Hesketh became a non-executive director of Babcock International, the engineering contractor.

BAe said Mr Simpson was expected to leave by April and would join Lucas, the engineering company, as chairman. A successor had not yet been chosen. The new appointments take the number of BAe board members to 14, a figure last reached in 1989.

# CIA acquires rest of Italian arm

CIA Group, the UK's largest independent advertising media buyer, is acquiring the remaining 55 per cent of CIA Medianetwork Italia not under its control.

The transaction, for 1.6m new ordinary CIA shares, worth about £5.5m, will create Europe's second largest advertising media buyer – after Carat – with an annual billing of £650m. Completion is expected in February.

CIA took the initial 45 per cent of CIAMNI in June this year for 400,000 shares plus L2.5bn (£1m).

CIA's shares, which trade on the USM, closed 5p up at 352p.

## NEWS DIGEST

### British Gas in Belgian bid talks

British Gas has emerged as one of the potential bidders for the Belgian government's 50 per cent stake in Distrigaz, the monopoly gas transportation and storage company in the country, writes Robert Corzine.

The company declined to comment on whether it would make a bid, although it said that it "was watching the situation very closely."

The Belgian government's interest in Distrigaz is held through NIM/SNI, the state holding company which includes businesses ranging from publishing and television distribution to paper and textiles manufacturing.

It is not clear whether British Gas would be able to bid only for Distrigaz. Other potential bidders include Tractabel, Bayernwerke of Germany and the Conoco oil subsidiary of DuPont, the US chemicals company.

Distrigaz operates 3,400 km of pipelines in Belgium and Luxembourg, compared with the 17,900 km network run by British Gas in the UK.

### Setback for Rothmans' plans

Rothmans International's plans to merge its tobacco interests in Malaysia, Singapore and Hong Kong into a single regional company have suffered a setback.

A meeting to seek approval from shareholders in Rothmans Malaysia – 50 per cent owned by the group – had to be adjourned after one large shareholder asked for more time to consider the proposals which it fears may dilute its stake. The meeting was postponed until December 31.

The merger, already unanimously agreed by shareholders in Rothmans Singapore, requires the approval of 75 per cent of public shareholders in the Malaysian company.

Rothmans International, which would receive a special dividend of about £100m if the merger goes ahead, said the restructuring would concentrate resources on a more effective exploitation of cigarette markets in the Pacific Rim.

### Beverley £4m sale to Villiers

Beverley Group, the engineer, has entered an agreement to sell its Gall Thomson Marine offshoot to Villiers, the USM-traded company formerly known as Caspen Oil, for up to £4m in cash and shares.

In October, Beverley agreed to sell the subsidiary to Sealand Industries, a wholly owned offshoot of VSEL, for £3.5m. That agreement was rescinded yesterday with Beverley contributing £40,000 to Sealand's costs.

In addition to the increased consideration, Beverley, formerly known as Petrocon, will benefit from the profits generated by Gall Thomson in November and December which Beverley estimates at about £125,000.

The sale proceeds represent a surplus over net book value of some £3.93m and will be used repay borrowings, reduce creditors and improve gearing.

Beverley is also disposing of Engineering Surveys, a loss-making surveying business, a freehold property in Suffolk and its head office building.

Beverley's shares added 3¼p to 8p.

### Expamet warns of second half loss

Expamet International, the building, industrial and security components supplier, has warned of pre-tax losses in the second half of its year to the end of this month. Its shares fell 11p to 58p.

A deterioration in sales and margins in some of its continental European activities has necessitated reorganisation costs of £2.1m, including £1.7m of redundancy charges. It will also be making a £1.8 provision against property holdings.

The company said that excluding the costs, to be taken as exceptional charges, second half pre-tax profits would be about the same as the first half's £1.95m.

Mr John Roberts, chairman, said the annual saving of the redundancies would be more than £3m but only about £1m would benefit the present year.

### IBM exercises Tadpole warrants

International Business Machines has exercised its warrants to subscribe for 2.22m ordinary shares in Tadpole Technology.

The warrants were exercised by IBM on December 17 at the exercise price of 65p per share.

Net proceeds received by Tadpole from the exercise of warrants after payment of expenses are estimated to amount to £1.44m. Tadpole intends to apply these proceeds for its general working capital requirements.

### Abbey Panels cuts deficit to £1.38m

Abbey Panels Investments, the Coventry-based engineer, reported reduced pre-tax losses of £1.38m for the year to September 30, against £1.82m.

Turnover slipped from £12.4m to £13.3m.

After a reduced tax credit of £107,000 (£510,000) losses per share came out at 63.53p (65.54p).

### SCT disposes of 0.69m Oak shares

Second Consolidated Trust is selling 40.4 per cent of its 10 per cent holding in Oak Industries, a Boston-based electronics group.

The 693,306 shares, of which 266,827 were acquired through the exercise of warrants, are being sold at $14.50 (970p) each and net proceeds will be about $9.3m before allowing for the cost of exercising the warrants.

Following the sale SCT will hold 1.02m Oak shares.

Also, SCT will receive $6.5m from the repayment of a loan to Invesco, the fund management company, secured on Invesco's shares in Oak. Invesco announced on Wednesday it was selling its 4.6 per cent stake in Oak.

### Waterford Foods I£10m pref placing

Waterford Foods, the Irish dairy group, is raising some I£9.9m (£9.4m) net of expenses through the placing of 10m cumulative redeemable preference shares of 5p each at a price of I£1 apiece.

The shares will carry the right to a fixed cumulative annual dividend of 7.9p per share. The funds raised will be used to reduce bank borrowings.

### Ascot property sold for £5.5m

Ascot Holdings has completed the sale of its freehold property Centre 27, Southampton, to Associated British Foods Pension Trustees for £5.5m cash, thereby reducing Ascot's borrowings.

### Danae Trust net assets improve

The net asset value of the capital shares of Danae Investment Trust improved to 71.11p at November 30, against 58.6p at the May year end and 45.48p at the interim stage last year.

The value per income share stood at 51.68p at November 30, unchanged from its level six months earlier and down slightly from 51.79p a year ago.

Net revenue for the six months to the end of November increased to £273,653 (£229,188). Earnings per income share rose to 3.76p (3.24p) and a same again dividend of 3.375p is declared.

### Silvermines in bid talks with Molynx

The directors of Silvermines have confirmed that the Dublin-based electrical and property group is in talks with Molynx Holdings, the closed circuit television, security and building energy management systems maker, which could lead to a merger of the two companies.

If agreed, the merger could take the form of an offer by Silvermines for Molynx or of offers for both companies by a new company.

### Kelsey shares fall despite turnround

Shares in Kelsey Industries fell 25p to 230p yesterday despite the company returning to the black in the year to September.

Pre-tax profits were £212,000 (losses £307,000) on turnover of £49.7m (£41.4m). Losses per share were 12.2p (16.2p). A same-again final dividend of 5p gives an 8p (13p) total.

### Cairn makes New Zealand disposals

Cairn Energy, the independent oil and gas exploration and production company, is to dispose of certain New Zealand exploration and production interests including the Ngatoro oilfield, for £1.7m cash.

Cairn's 13.35 per cent interest in licence PPL38706 and its 5.34 per cent in licence PPL38707 will be jointly acquired by Petrocorp Exploration and Southern Petroleum (Ohanga). Cairn retains a 26.7 per cent stake in licence PPL38702 onshore Taranaki Basin.

### Hartons French disposal

Hartons Group, engaged in plastic sheet and film, is to sell its 99.7 per cent stake in VT Plastics, its French offshoot, to Descours & Cabaud, a distributor of industrial products, for an undisclosed sum.

For the 10 months to October 31 VT incurred a deficit before exceptional items of FFr10.25m (£1.21m) on turnover of FFr83.8m.

### Ramus rights to raise £3m

Ramus Holdings, the USM-quoted building materials supplier, is calling for £3m net via a rights issue of 12.7m new ordinary shares on 9-for-8 basis at 25p per share.

Depending on the take-up, the holdings of HLf-Hume and Postel Investment Management could rise to 73.5 per cent and 7.5 per cent respectively of the group's enlarged share capital.

Ramus has also sold its freehold property at Bounds Green, north London, for £3.1m, first outlined in September.

### CA Sperati rises 31% to £54,336

CA Sperati, the buttons and trimmings company, lifted pre-tax profits by 31 per cent, from £41,414 to £54,336, for the year ended October 31.

Turnover improved to £856,791 (£777,447) and after tax of £15,687 (£11,376) earnings came through at 38.05p (30.04p) per share.

### Waterglade debt restructuring

Waterglade International Holdings, the property developer, yesterday said that terms had been agreed with certain of its bankers and main creditors for a restructuring of the group's debt. However, because all the banks and creditors have made their agreement conditional on new equity finance being raised, the deal has not yet been signed.

The company said it intended to send shareholders a rights issue circular in the new year which would contain full details of these arrangements.

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# UAL supports workers bid for majority stake

By Richard Waters in New York

The latest bid by workers at United Airlines to take a majority stake in the US carrier cleared its biggest hurdle when the company's board voted to back the deal.

The board decided late on Tuesday to accept an offer for between 53 per cent and 63 per cent of the company in return for wage cuts and changes in working practices which it valued at more than $4.5bn.

An earlier union proposal was rejected by the UAL board a month ago. CS First Boston, financial adviser, estimated that offer at $140 a share and said it did not provide adequate value to shareholders.

The sweetened offer was judged fair by financial advisers, First Boston and Lazard Frères, the company said. It has been valued at $173 a share by the unions, but UAL has not put a value to it.

Commenting publicly on the deal for the first time, Mr Stephen Wolf, UAL chairman and chief executive, said: "For the first time, majority interest in a global air carrier will rest with its employees. United's employees will share in the company's success and will have substantial incentive to ensure that UAL remains a global aviation leader."

Mr Wolf, and Mr John Pope, president and chief operating officer, are due to step down once the deal is completed. His six years at the top of the airline have been characterised by various attempts by management and employees to take control of the company, and by mixed relations with the company's unions.

The deal needs the approval of the two unions with which it was negotiated, as well as UAL's shareholders.

# Suez rescues banking unit

By Alice Rawsthorn in Paris

Suez, the French financial and industrial holding company, is taking full control of Banque Monod, its troubled banking subsidiary, in a FFr150m ($25.9m) financial rescue package.

Banque Monod has, like other French financial institutions, been badly affected by the crisis in the property market. The bank has incurred heavy losses in its property financing activities.

Mr François Lesieur, deputy chairman, yesterday warned that Banque Monod, which made a net loss of FFr74m in 1992, had fallen further into the red this year with a net loss of about FFr200m.

The rescue package involves a capital injection worth FFr150m and the restructuring of Banque Monod's interests. The banks will withdraw from the property financing sector and will concentrate on property management and commercial loans.

Mr Lesieur said he hoped the bank would return to "an acceptable level of profitability" in 1994.

As a result of the recapitalisation, Suez, which owns 90 per cent of the bank, will take full control as Financière de l'Atlantique, the other minority shareholder, relinquishes its 10 per cent stake.

Suez has encountered difficulties with its other banking subsidiaries that are exposed to the problems of the French property market.

Last year, it recapitalised Banque Indosuez, its main banking unit, and this year has been burdened by the losses of Banque Hénin, another subsidiary.

# Amdahl expects deeper losses in fourth quarter

Amdahl, the Californian mainframe computer manufacturer, expects to report a fourth-quarter loss of more than 35 cents a share – greater than Wall Street's expectations, writes Martin Dickson.

The company, which has been suffering from a downturn in the mainframe market and does not have other products to fall back on, said unit volumes had increased in the fourth quarter over the low level of the third quarter.

However, margins had declined because of pressure on pricing and a shift in sales mix towards smaller, dual processor systems.

# Unilever steps up race for ice cream group

By Alice Rawsthorn

Unilever, the Anglo-Dutch food and consumer products group, is offering FFr1,420 a share for the 15 per cent of Ortiz-Miko, the French frozen foods company, that is listed on the Paris stock market.

The Anglo-Dutch group earlier this week mounted a FFr1.9bn ($327.9m) offer for control of Ortiz-Miko, a family-run company and a force in the French ice cream market, where it is best known for its Miko brand.

The announcement of the terms of the public offer marks the second phase of the deal. The first phase, disclosed on Monday, involved Unilever offering to buy 75 per cent of Safral, the company that owns 85 per cent of Ortiz-Miko.

Mr Vidal Ortiz, chairman, has not yet announced whether he will sell his 24 per cent Safral stake. Completion of the deal would turn Unilever, already the world's largest ice cream manufacturer, into the market leader in France.

However, Ortiz-Miko yesterday revealed the full extent of its financial difficulties. It warned it would make a loss in the current financial year.

# Alitalia warns unions over cuts as losses grow

By Haig Simonian

Alitalia, Italy's state airline, has warned labour unions that urgent measures are necessary to cut costs and improve productivity to staunch what may be one of its biggest losses on record.

Details of Alitalia's 1993 results will not be available until well into next year. However, some stock market forecasts suggest this year's loss could reach L300bn ($182.5m).

Alitalia lost L214bn in the first half of this year, well above the L14.7bn deficit incurred for the whole of 1992 and on a par with the group's record loss of L217bn in 1989.

The group said it would be taking a variety of steps to improve its earnings, including job losses, asset disposals and the transfer of some operations to outside companies.

Efficiency improvements and tough negotiations on productivity have allowed the company to better its financial performance in the past three years, in spite of the impact of the 1991 Gulf war.

Alitalia's costs remain relatively high compared with Europe's most efficient airlines and service standards, in spite of improvements, can still be lamentable.

In a statement to union leaders, the company said it planned to accelerate its fleet replacement programme, with the disposal of some of its big four-engined Boeing 747 jets in favour of lower capacity twin-engined long range aircraft.

The company may try to make further savings by postponing or stretching out its big contract for new Airbus 321 aircraft, for which it is a launch customer, although no official comment has been made.

The job losses, estimated at about 1,400 people, will fall mainly on white collar staff. Among other measures to improve its financial performance, the group may also sell, and then lease back, more of its fleet, which stood at 162 aircraft at the end of June.

# Battle for Paramount not over yet

By Martin Dickson in New York

The $10bn, three-month takeover battle for US entertainment group Paramount Communications entered its final leg yesterday with television shopping business QVC Network holding an edge over cable TV company Viacom. The advantage, however, could be temporary.

In a significant psychological shift, the Paramount board recommended on Wednesday night that shareholders accept QVC's previously-hostile offer, rather than a lower, but friendly, bid from Viacom. Paramount's board, chaired by Mr Martin Davis, had previously shunned QVC's advances.

This, however, does not clinch the battle. Under the rules drawn up for an auction of Paramount, both bidders are free to increase their offers for the company until January 7. Their tenders for 51 per cent of


Barry Diller: repeated clashes with Paramount chief

Paramount's shares will expire at midnight, New York time, on that day. Shareholders remain free to accept either offer.

Paramount said Viacom was considering raising its offer. Mr Sumner Redstone, Viacom's chairman, is believed to have been discussing additional financing with media and communications partners. These include Nynex, the regional telephone company serving the north-eastern US, and Blockbuster Entertainment, the video rental chain.

The Paramount board voted unanimously on Wednesday morning to enter a merger agreement with QVC – a decision which must have been difficult for Mr Davis, who has a history of personal animosity with Mr Barry Diller, QVC head and a leading film industry figure.

Under the merger agreement with Viacom, Mr Davis would remain chief executive of the combined group. If QVC wins, he will almost certainly be ousted by Mr Diller, who clashed repeatedly with Mr Davis when he headed the group's Paramount Pictures film business in the 1980s.

However, the board had little choice but to recommend QVC's offer, made before a Monday night auction dealine, since it was significantly higher than Viacom's. Directors were under instruction from the Delaware supreme court to seek the highest value for shareholders.

QVC is offering $92 in cash for 51 per cent of Paramount's stock, compared with $85 from Viacom. Both are offering bundles of securities for the remaining 49 per cent. QVC's offer for the entire group is worth around $10bn, while Viacom's is at some $9.5bn.

However, since many on Wall Street believe both companies are paying a high price for Paramount, the perceived winner of the bid on any day is seen by the market as a loser. This is depressing its share price and the securities element of its bid. The ultimate winner is likely to be whichever company puts most cash on the table.

Lex, Back Page

# Murdoch buys into Indian TV

By Shiraz Sidhva in New Delhi

Mr Rupert Murdoch's Star Television has acquired a 49.9 per cent stake in Asia Today, the Bombay-based company which broadcasts Zee TV, a Hindi-language entertainment channel.

The acquisition means two of Star's six television channels will be broadcast in a regional Asian language. It demonstrates the strategy of Mr Murdoch's News Corp, which owns 64 per cent of Star, to widen its choice for Asian viewers.

Zee TV will continue to be operated by its current management team in Bombay, which generates all programming and advertising sales, and will maintain its 10-year output agreement with Zee Telefilms, a public company listed on the Bombay stock exchange.

The purchase will boost Star's share of prime-time viewing in Indian cable homes to more than 50 per cent.

Zee TV, transmitted by satellite, is seen in more than 7m homes, or 25 per cent of Indian households with television sets.

The Hindi entertainment and current affairs programme channel has enjoyed growth of 400 per cent since its launch in October 1992. It also has viewers in the Gulf countries and in Pakistan.

Zee TV plans to increase its hours of transmission gradually from 87 a week to a 24-hour schedule. "The backing of News Corp will mean better and better programming," said Mr Ashok Kurien, director of Zee.

# ABN Amro acquires French bank

By Ronald van de Krol in Amsterdam

ABN Amro, the Netherlands' largest bank, is to expand in France through the acquisition, from Swiss Volksbank, of Banque Odier Bungener Courvoisier (OBC), a Paris-based bank specialising in private and corporate banking.

The Dutch bank said the takeover price would be around FFr500m ($85m), though an exact sum has not yet been fixed with Swiss Volksbank, a subsidiary of Credit Suisse Holding.

OBC, which has a staff of 250 and a balance sheet total of about FFr5.8bn, will continue to operate under existing management. It will retain its own identity and independence within the ABN Amro group.

● Vendex International, the privately-held Dutch retail group, plans to sell its 79 per cent stake in Staal Bankiers, the Dutch bank, to the country's fourth-largest insurance group, AVCB.

The proposed deal brings to an end Vendex's long search for a buyer.

# Greek ferry operator in cash call

By Kerin Hope in Athens

Strintzis Lines, Greece's largest private ferry operator, plans to raise Dr5.7bn ($23.7m) in what will be the first flotation of a shipping company on the Athens stock exchange.

The company, which controls an Irish ferry line as well as its Mediterranean operations, wants to diversify in preparation for deregulation in European Union coastal shipping at the end of the 1990s.

Strintzis will increase its capital base by 25 per cent, issuing 4.08m new shares.

The company will use 60 per cent of funds raised to buy a new ferry for its fleet. The remainder will provide long-term working capital to finance future expansion, including the acquisition of a high-speed ferry.

Strintzis operates eight medium-size ferries on the Ionian crossing between Greece and Italy and through the Cyclades islands to Mykonos and Santorini.

The new ship will be used on the Ionian crossing, where Strintzis has increased its share of truck traffic by 40 per cent in the past year.

Year-round traffic on the Ionian crossing has increased sharply in recent years.

The company last year acquired Swansea Cork Car Ferries, which operates a daily crossing between Wales and Ireland, through a wholly-owned subsidiary, Strintzis Lines Ireland

Strintzis expects pre-tax profits to total Dr2.5bn for 1993, a 51 per cent increase on 1992.





## LEGAL NOTICES

In the High Court No: 8204P

IN THE MATTER OF FITZWILTON PUBLIC LIMITED COMPANY

and

IN THE MATTER OF THE COMPANIES ACT 1963-1990

NOTICE IS HEREBY GIVEN that a Petition presented to the High Court of Ireland on 6 December 1993 for confirming the reduction of the capital of the above named Company by reducing the amount of IR£92,527,243 standing to the credit of the share premium account of the Company by IR£71,844,143, is directed to be heard before the High Court of Ireland on 17 January 1994 at 11 o'clock in the forenoon at the Four Courts, Dublin 7 and that any creditor or contributory of the Company who wishes to support or oppose the making of an Order on the said Petition may appear at the time of hearing by himself or his Counsel for that purpose and a copy of the Petition will be furnished to any creditor or contributory of the said Company who requires it by the undersigned on payment of the regular charge for same.

WILLIAM FRY
Solicitors for the Company
Fitzwilton House
Wilton Place
Dublin 2

Ref: 9660-009-MBW

Note: Any person who intends to appear at the hearing of the said Petition must serve on or send by post to the above named Company or its Solicitor, notice in writing of his intention to do so. The notice must state the name and address of the person or if a firm, the name and address of the firm and must be signed by the person or firm or his or their solicitor (if any) and must be served or, if posted, must be sent by post in sufficient time to reach the Company or William Fry, Solicitors, not later than 5.00 pm in the afternoon of 10 January 1994.

EPMS HOLDINGS LIMITED
SEPM REALISATIONS LIMITED
(formerly EPMS Rewinds (B'ham) Limited)
EPMS MAGNET SERVICES LIMITED
SEPM INSTALLATIONS REALISATIONS LIMITED
(formerly EPMS Electrical Installations Limited)
EPMS TRANSFORMERS LIMITED
(all in administrative receivership)

NOTICE IS HEREBY GIVEN pursuant to Section 48(2) of the Insolvency Act 1986, that a meeting of the unsecured creditors of the above-named companies will be held at the Ibis Hotel Birmingham, Ladywell Walk, Birmingham, B5 4ST, on the 12th day of January 1994 at 11 o'clock in the forenoon, for the purpose of having laid before it a copy of the report prepared by the administrative receivers under section 48 of the said Act. The meeting may, if it thinks fit, establish a creditors' committee to exercise the functions conferred on it, by or under the Act. Creditors are only entitled to vote if: (a) they have delivered to us at Robson Rhodes, Centre City Tower, 7 Hill Street, Birmingham, B5 4UU, no later than 1200 hours on the business day before the meeting, written details of the debts they claim to be due, and the claim has been duly admitted under the provisions of the Insolvency Rules 1986 and (b) there has been lodged with us any proxy which the creditor intends to use on his behalf.

Date this 7th day of December 1993

J.F.R Jones, A.M Menzies
Joint Administrative Receivers

# COMMODITIES AND BOND PRICES

WEEK IN THE MARKETS

## LME metals trim back early gains

The base metals markets were yesterday approaching the Christmas holiday in a cautious mood, with most London Metal Exchange contracts surrendering some of their earlier gains.

Among these was copper, which dropped $6 in the three months position to close at $1,797.25 a tonne. But that was still $50.50 up on balance, thanks the strong surge on Monday and Tuesday.

Analysts were divided on whether the market's improved sentiment principally reflected short-term factors, such as a downturn in LME warehouse stocks, or a fundamental change in the perceived outlook.

Mr Angus MacMillan, research manager at Billiton-Enthoven Metals, part of the Royal Dutch/Shell group thought that "the overall fundamentals of this market still remain bearish" and forecast that the stocks decline would prove to be "a temporary phenomenon", attributable to delayed shipments from the former Soviet Union and light Chinese offtake.

But Mr Wiktor Bielski of Bain and Company, part of the Deutsche Bank group, insisted that "the fundamentals in the copper market are getting better all the time", with US demand up 8 per cent so far in 1993 and stocks falling at both the New York Commodity Exchange and the LME. Stocks now represented only eight weeks' consumption, he noted, which was a low level coming out of a recession.

Zinc was another market still showing gains on the week despite falling yesterday. The three months price climbed to $1,002.50 a tonne on Wednesday as it benefitted from the strength of copper, but fell $6 yesterday to close at $996.50 a tonne, still $9 to the good. Traders told the Reuter news agency yesterday that sentiment might have been dented by a forecast that Chinese zinc production could hit 900,000 tonnes next year as new smelters came into operation.

Aluminium prices, which had surrendered some of their early gains in mid-week, moved higher again yesterday, a $4.25 rise taking the three months quotation to $1,121.50 a tonne, up $$7 on the week.

Among the precious metals, silver once again put in the steadiest performance, the cash price closing yesterday at $5.02½ cents a troy ounce, up 4 cents on the week but 7 cents below Monday's peak. Monday had also seen the peaks for gold and platinum, $389.60 and $388.75 an ounce respectively. But both retreated and were showing net declines by yesterday's close. "None of the precious metals look prepared to go higher now," one trader told Reuter, "but underlying support should hold while prices consolidate."

At the London Commodity Exchange the cocoa futures market resumed where it had left off last week, with the March position extending its £70 decline by another £62 to reach £904 a tonne at Monday's close.

Mr Lawrence Eagles of London broker GNI blamed the fall on "massive long liquidation of speculative positions" built up during the period of uncertainty about the health of Mr Felix Houphouet-Boigny, veteran president of the Ivory Coast, the world's buggest cocoa producer.

The peaceful hand-over of power following the announcement of Mr Houphouet-Boigny's death two-and-a-half weeks ago left the market at the mercy of the bearish developments that had been ignored during that period – heavier-than-expected arrivals from West African harvests and signs that the Ivory Coast would not, after all, be delaying the marketing of its mid-crop cocoa.

Support appeared, however, when the March price briefly dipped below £900 on Tuesday, and by yesterday's close it had recovered to £929 a tonne.

**Richard Mooney**

### WEEKLY PRICE CHANGES

| | Latest prices | Change on week | Year ago | 1993 High | 1993 Low |
|---|---|---|---|---|---|
| Gold per troy oz. | $385.5 | -0.7 | $332.85 | $405.75 | $326.05 |
| Silver per troy oz | 335.90p | -5.45 | 243.75p | 362.50p | 236.00p |
| Aluminium 99.7% (cash) | $1104 | +10 | $1226.5 | $1240.00 | $1023.50 |
| Copper Grade A (cash) | $1773.5 | +49.5 | $1466.5 | $2375.00 | $1106.50 |
| Lead (cash) | $465 | -2.5 | $396 | $467.50 | $361.50 |
| Nickel (cash) | $5277.5 | -7.5 | $5865 | $6540 | $4043.5 |
| Zinc SHG (cash) | $977 | +8 | $1058.5 | $1112 | $868.0 |
| Tin (cash) | $4817.5 | +20 | $5795.0 | $6047.5 | $4340.0 |
| Cocoa Futures Mar | £929 | -37 | £694 | £1061 | £663 |
| Coffee Futures Mar | $1221 | N/C | 1039 | $1297 | $836 |
| Sugar (LDP Raw) | $265.7 | -7.2 | $205 | $317.4 | $204.5 |
| Barley Futures Mar | £105.45 | +0.7 | £131.1 | £110.30 | £101.50 |
| Wheat Futures Mar | £100.40 | +1.1 | £136.25 | £149.45 | £99.30 |
| Cotton Outlook A Index | 61.15c | +1 | 54.45c | 62.35c | 54.15c |
| Wool (64s Super) | 342p | +1 | 398p | 403p | 319p |
| Oil (Brent Blend) | $13.64x | +0.03 | $18.625 | $19.53 | $13.64 |

Per tonne unless otherwise stated. p Pence/kg. c Cents lb. x Feb

## BASE METALS

### LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

| | Cash | 3 mths |
|---|---|---|
| Close | 1103.5-04.5 | 1121-22 |
| Previous | 1099-99.5 | 1117-17.5 |
| High/low | | 1124/1118 |
| AM Official | 1105-05.5 | 1122-22.5 |
| Kerb close | | 1124-24.5 |
| Open int. | 276,886 | |
| Total daily turnover | 29,191 | |

■ ALUMINIUM ALLOY ($ per tonne)

| | Cash | 3 mths |
|---|---|---|
| Close | 972-74 | 996-97 |
| Previous | 969-71 | 994-96 |
| High/low | | 995 |
| AM Official | 972-74 | 994-95 |
| Kerb close | | 993-5 |
| Open int. | 2,606 | |
| Total daily turnover | 1,253 | |

■ LEAD ($ per tonne)

| | Cash | 3 mths |
|---|---|---|
| Close | 464.5-65.5 | 478-79 |
| Previous | 473-74 | 487-8 |
| High/low | | 488/478 |
| AM Official | 469-70 | 482-83 |
| Kerb close | | 481-82 |
| Open int. | 33,284 | |
| Total daily turnover | 11,993 | |

■ NICKEL ($ per tonne)

| | Cash | 3 mths |
|---|---|---|
| Close | 5275-80 | 5330-35 |
| Previous | 5293-98 | 5350-51 |
| High/low | | 5340/5290 |
| AM Official | 5270-75 | 5325-30 |
| Kerb close | | 5340-45 |
| Open int. | 49,754 | |
| Total daily turnover | 5,845 | |

■ TIN ($ per tonne)

| | Cash | 3 mths |
|---|---|---|
| Close | 4815-20 | 4865-70 |
| Previous | 4795-805 | 4845-55 |
| High/low | | 4870/4820 |
| AM Official | 4775-80 | 4824-25 |
| Kerb close | | 4870-75 |
| Open int. | 16,829 | |
| Total daily turnover | 4,198 | |

■ ZINC, special high grade ($ per tonne)

| | Cash | 3 mths |
|---|---|---|
| Close | 976.5-77.5 | 994-95 |
| Previous | 984.5-5.5 | 1002-03 |
| High/low | | 999/991 |
| AM Official | 973-74 | 991-92 |
| Kerb close | | 998-99 |
| Open int. | 88,318 | |
| Total daily turnover | 39,905 | |

■ COPPER, grade A ($ per tonne)

| | Cash | 3 mths |
|---|---|---|
| Close | 1773-74 | 1797-97.5 |
| Previous | 1179.5-80.5 | 1803-03.5 |
| High/low | 1772.5 | 1801/1794 |
| AM Official | 1772.5-73 | 1796-98.5 |
| Kerb close | | 1794.5-95 |
| Open int. | 208,381 | |
| Total daily turnover | 58,194 | |

■ LME AM Official £/$ rate: 1.5001
LME Closing £/$ rate 1.5030

Spot 1.5030 3 mths:1.4958 6 mths:1.4903 9 mths:1.4862

■ HIGH GRADE COPPER (COMEX)

| | Close | Day's change | High | low | Open int | Vol |
|---|---|---|---|---|---|---|
| Jan | 80.95 | -0.10 | 81.10 | 80.95 | 932 | 549 |
| Feb | 81.20 | -0.10 | - | - | 1,878 | 405 |
| Mar | 81.45 | -0.10 | 81.70 | 81.40 | 1,176 | 1 |
| Apr | 81.65 | -0.10 | - | - | 42,788 | 3976 |
| May | 81.80 | -0.10 | 81.90 | 81.70 | 720 | - |
| Jun | 81.95 | -0.10 | 82.25 | 82.25 | 7,286 | 170 |
| Total | | | | | 68,737 | 5,207 |

## PRECIOUS METALS

■ LONDON BULLION MARKET

(Prices supplied by N M Rothschild)

| Gold (Troy oz.) | $ price | £ equiv. |
|---|---|---|
| Close | 385.30-385.70 | |
| Opening | 385.70-386.10 | |
| Morning fix | 385.75 | 257.287 |
| Afternoon fix | 384.95 | 256.343 |
| Day's High | 385.90-386.30 | |
| Day's Low | 384.75-385.15 | |
| Previous close | 386.00-386.40 | |

Loco Ldn Mean Gold Lending Rates (Vs US$)

| | | | |
|---|---|---|---|
| 1 month | 2.83 | 6 months | 2.80 |
| 2 months | 2.80 | 12 months | 2.84 |
| 3 months | 2.79 | | |

| Silver Fix | p/troy oz. | US cts equiv. |
|---|---|---|
| Spot | 335.90 | 503.50 |
| 3 months | 340.05 | 507.15 |
| 6 months | 344.25 | 511.40 |
| 1 year | 351.70 | 520.35 |

| Gold Coins | $ price | £ equiv |
|---|---|---|
| Krugerrand | 387-390 | 258-261 |
| Maple Leaf | 396.50-399.00 | - |
| New Sovereign | 90-93 | 60-63 |

## Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

| | Sett price | Day's change | High | Low | Open int. | Vol. |
|---|---|---|---|---|---|---|
| Dec | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Jan | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Feb | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Apr | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Jun | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Aug | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Total | | | | | [illegible] | [illegible] |

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

| | Sett price | Day's change | High | Low | Open int. | Vol. |
|---|---|---|---|---|---|---|
| Jan | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Apr | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Jul | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Oct | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Jan | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Total | | | | | [illegible] | [illegible] |

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

| | Sett price | Day's change | High | Low | Open int. | Vol. |
|---|---|---|---|---|---|---|
| Feb | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Mar | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Jun | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Sep | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Dec | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Total | | | | | [illegible] | [illegible] |

■ SILVER COMEX (100 Troy oz.; $/troy oz.)

| | Sett price | Day's change | High | Low | Open int. | Vol. |
|---|---|---|---|---|---|---|
| Dec | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Jan | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Feb | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Mar | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| May | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Jul | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Total | | | | | [illegible] | [illegible] |

## ENERGY

■ CRUDE OIL NYMEX (42,000 US galls. $/barrel)

| | Latest price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Feb | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Mar | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Apr | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| May | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Jun | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Jul | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Total | | | | | [illegible] | [illegible] |

■ CRUDE OIL IPE ($/barrel)

| | Latest price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Feb | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Mar | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Apr | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| May | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Jun | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Jul | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Total | | | | | [illegible] | [illegible] |

■ HEATING OIL NYMEX (42,000 US galls.; c/US galls.)

| | Latest price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Jan | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Feb | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Mar | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Apr | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| May | 44.85 | -10 | 45.40 | 44.85 | 25,321 | 2,156 |
| Jun | 45.15 | +15 | 45.60 | 45.10 | 15,038 | 1,191 |
| Total | | | | | 208,853 | 51,739 |

■ GAS OIL IPE ($/tonne)

| | Latest price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Jan | 141.50 | -75 | 143.25 | 141.25 | 29,370 | 4,498 |
| Feb | 142.25 | -75 | 144.00 | 142.25 | 17,436 | 3,002 |
| Mar | 143.25 | -50 | 144.25 | 143.00 | 15,530 | 1,289 |
| Apr | 143.75 | -25 | 144.25 | 143.75 | 9,861 | 233 |
| May | 144.25 | -50 | 144.25 | 144.25 | 6,637 | 30 |
| Jun | 144.50 | -75 | 145.75 | 144.50 | 11,313 | 738 |
| Total | | | | | 108,000 | 11,945 |

■ NATURAL GAS NYMEX (10,000 mmBtu.; $/mmBtu.)

| | Latest price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Jan | 2.022 | +.020 | 2.130 | 1.960 | 926 | 28,544 |
| Feb | 1.950 | +.059 | 1.965 | 1.910 | 26,121 | 10,873 |
| Mar | 1.900 | +.041 | 1.910 | 1.885 | 18,200 | 3,750 |
| Apr | 1.895 | +.036 | 1.900 | 1.880 | 14,008 | 1,217 |
| May | 1.835 | +.031 | 1.905 | 1.890 | 9,147 | 1,307 |
| Jun | 1.895 | +.021 | 1.920 | 1.895 | 7,071 | 506 |
| Total | | | | | 124,976 | 53,161 |

■ UNLEADED GASOLINE
NYMEX (42,000 US galls.; c/US galls.)

| | Latest price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Jan | 39.25 | -16 | 39.60 | 39.25 | 21,676 | 14,419 |
| Feb | 40.80 | -15 | 41.10 | 40.75 | 41,344 | 12,366 |
| Mar | 42.45 | -13 | 42.70 | 42.40 | 30,654 | 3,708 |
| Apr | 45.50 | -5 | 46.00 | 45.90 | 21,004 | 2,259 |
| May | 46.55 | -15 | 46.80 | 46.45 | 26,315 | 2,381 |
| Jun | 47.35 | -7 | 47.55 | 47.35 | 7,321 | 1,381 |
| Total | | | | | 153,381 | 38,597 |

## GRAINS AND OIL SEEDS

■ WHEAT LCE (£ per tonne)

[illegible]

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

[illegible]

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

[illegible]

■ BARLEY LCE (£ per tonne)

[illegible]

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

[illegible]

■ SOYABEAN OIL CBT (60,000lbs; cents/lb)

[illegible]

■ SOYABEAN MEAL CBT (100 tons; $/ton)

[illegible]

■ POTATOES LCE (£/tonne)

[illegible]

■ FREIGHT (BIFFEX) LCE ($10/index point)

[illegible]

| | Close | Prev |
|---|---|---|
| BFI | 1221 | 1222 |

WOOL

Prices at New Zealand sales on December 20 were frequently a little softer again, and clearances to the trade were not good. Only at last week's Bradford auction of British wool did prices rise, and the rise was sharp at up to 15%. This was a special situation with very few firms really substantially earlier in the season and finding that selective activity in the carpet wool sector has led to concentrated competition for limited supplies. The market otherwise has closed dull and indecisively for Christmas with wool prices significantly above the season's low point but also well down on November peaks.

## SOFTS

■ COCOA LCE (£/tonne)

[illegible]

■ COCOA CSCE (10 tonnes; $/tonnes)

[illegible]

■ COCOA (ICCO) (SDR's/tonne)

[illegible]

■ COFFEE LCE ($/tonne)

[illegible]

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

[illegible]

■ COFFEE (ICO) (US cents/pound)

[illegible]

■ No7 PREMIUM RAW SUGAR LCE (cents/lbs)

[illegible]

■ WHITE SUGAR LCE ($/tonne)

[illegible]

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

[illegible]

■ COTTON NYCE (50,000lbs; cents/lbs)

[illegible]

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

[illegible]

VOLUME DATA

Open interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME and CSCE are one day in arrears.

## INDICES

■ REUTERS (Base: 18/9/31=100)

| Dec 23 | Dec 22 | month ago | year ago |
|---|---|---|---|
| 1668.8 | 1657.8 | [illegible] | [illegible] |

■ CRB Futures (Base: 1967=100)

| Dec 22 | Dec 21 | month ago | year ago |
|---|---|---|---|
| 224.90 | 224.05 | [illegible] | [illegible] |

## MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

[illegible]

■ LIVE HOGS CME (40,000lbs; cents/lbs)

[illegible]

■ PORK BELLIES CME (40,000lbs; cents/lbs)

[illegible]

## LONDON TRADED OPTIONS

■ ALUMINIUM (99.7%) LME — Calls / Puts

[illegible]

■ COPPER (Grade A) LME — Calls / Puts

[illegible]

■ COFFEE LCE — Calls / Puts

[illegible]

■ COCOA LCE — Calls / Puts

[illegible]

■ BRENT CRUDE IPE — Calls / Puts

[illegible]

## LONDON SPOT MARKETS

■ CRUDE OIL FOB (per barrel/Feb)

[illegible]

■ OIL PRODUCTS NWE prompt delivery CIF (tonne)

[illegible]

■ OTHER

[illegible]

## WORLD BOND PRICES

### BENCHMARK GOVERNMENT BONDS

| | | Coupon | Red Date | Price | Day's change | Yield | Week ago | Month ago |
|---|---|---|---|---|---|---|---|---|
| Australia | | 10.000 | 10/02 | 122.5800 | +0.260 | 6.58 | 6.75 | 6.80 |
| Belgium | | 9.000 | 03/03 | 117.3600 | +0.420 | 6.44 | 6.63 | 6.88 |
| Canada * | | 7.500 | 12/03 | 106.6500 | +0.850 | 6.55 | 6.75 | 6.95 |
| Denmark | | 8.000 | 05/03 | 112.8200 | +0.450 | 6.16 | 6.24 | 6.44 |
| France | BTAN | 8.500 | 05/98 | 109.8900 | +0.050 | 5.07 | 6.05 | 6.08 |
| | OAT | 6.750 | 10/03 | 106.0300 | +0.470 | 5.72 | 5.78 | 6.06 |
| Germany | | 6.000 | 09/03 | 102.6900 | +0.220 | 5.63 | 5.73 | 5.89 |
| Italy | | 9.000 | 10/03 | 103.8500 | +0.180 | 8.41† | 8.71 | 9.21 |
| Japan | No 119 | 4.800 | 06/99 | - | - | - | 2.46 | 2.93 |
| | No 157 | 4.500 | 06/03 | - | - | - | 3.16 | 3.57 |
| Netherlands | | 6.500 | 04/03 | 106.2800 | +0.300 | 5.61 | 5.72 | 5.84 |
| Spain | | 10.500 | 10/03 | 116.0000 | +0.450 | 8.07 | 8.35 | 8.59 |
| UK Gilts | | 9.750 | 01/98 | 114–18 | +6/32 | 5.64 | 5.62 | 6.10 |
| | | 8.000 | 06/03 | 112–28 | +12/32 | 6.18 | 6.25 | 6.69 |
| | | 9.000 | 10/08 | 123–30 | +18/32 | 6.46 | 6.50 | 7.02 |
| US Treasury * | | 5.750 | 08/03 | 100–10 | +25/32 | 5.71 | 5.81 | 5.79 |
| | | 6.250 | 08/23 | 100–10 | +31/32 | 6.23 | 6.30 | 6.30 |
| ECU (French Govt) | | 8.000 | 04/03 | 113.9900 | +0.540 | 5.99 | 6.14 | 6.34 |

London closing, *New York mid-day. Yields: Local market standard
† Gross annual yield (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal. Source: MMS International

### ECONOMIC DIARY – FORWARD EVENTS

**TODAY:** Christmas eve. Stock Exchange closes. Turkish parliament votes on 1994 budget. Mr Boutros Boutros-Ghali, secretary general of the United Nations, is scheduled to cross the border from South Korea into North Korea.

**TOMORROW:** Christmas day. Third hearing in trial of top BCCI executives in Abu Dhabi, United Arab Emirates. Mr Hikmet Cetin, Turkish foreign minister, pays official visit to Egypt (until December 26).

**SUNDAY:** Boxing day.

**MONDAY:** Japan gives retail sales statistics (November); industrial production (November). Italy is due to publish balance of trade figures for November. Ms Benazir Bhutto, prime minister of Pakistan, starts visit to China (until December 29).

**TUESDAY:** US publishes figures for consumer confidence in December. Japan issues consumer price index (nation); unemployment rate. Norway is expected to announce figures for unemployment during November.

**WEDNESDAY:** US publishes figures for leading indicators and export/import price indices.

**THURSDAY:** British Banking Association publishes monthly figures for mortgage lending by the major British banking groups during November. The Department of Trade and Industry issues statistics for energy trends in October. US announces new home sales figures. Mr Kenneth Clarke, chancellor of the exchequer, is expected to pay a visit to Indonesia.

**FRIDAY:** The Central Statistical Office issues the monthly digest of statistics (December) and economic trends (December). Spain announces statistics for its trade balance during November. Belgian presidency of the European Union ends. Greece takes over on January 1. Publication of the New Year Honours list. The ruling high council in Algeria is due to step down to replaced by an as yet undefined presidential authority.



### BOND FUTURES AND OPTIONS

#### France

■ NOTIONAL FRENCH BOND FUTURES (MATIF)

| | Open | Sett price | Change | High | Low | Est. vol. | Open int. |
|---|---|---|---|---|---|---|---|
| Dec | 126.22 | 126.42 | +0.48 | 126.44 | 125.96 | 4,487 | 38,852 |
| Mar | 130.24 | 130.56 | +0.42 | 130.58 | 130.16 | 75,670 | 122,499 |
| Jun | 129.70 | 130.00 | +0.42 | 129.92 | 129.64 | 65 | 3,386 |

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

| Strike Price | Calls Jan | Calls Mar | Calls Jun | Puts Jan | Puts Mar | Puts Jun |
|---|---|---|---|---|---|---|
| 127 | - | 3.64 | - | - | 0.13 | - |
| 128 | 2.56 | 2.74 | - | - | 0.24 | - |
| 129 | 1.56 | 1.92 | - | 0.02 | 0.40 | - |
| 130 | 0.57 | 1.23 | 1.46 | 0.09 | 0.69 | - |
| 131 | 0.06 | 0.70 | - | - | - | - |
| 132 | - | 0.35 | - | - | - | - |

Est. vol. total, Calls 14,655 Puts 21,185. Previous day's open int., Calls 223,454 Puts 220,563.

#### Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

| | Open | Sett price | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 100.87 | 100.98 | +0.25 | 101.05 | 100.84 | 26085 | 136611 |
| Jun | 100.80 | 100.93 | +0.28 | 100.80 | 100.80 | 10 | 1158 |

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

| Strike Price | Calls Mar | Calls Jun | Puts Mar | Puts Jun |
|---|---|---|---|---|
| 10050 | 0.92 | 1.28 | 0.44 | 0.85 |
| 10100 | 0.65 | 1.02 | 0.67 | 1.09 |
| 10150 | 0.43 | 0.81 | 0.95 | 1.38 |

Est. vol. total, Calls 1228 Puts 1941. Previous day's open int., Calls 168241 Puts 97280

■ NOTIONAL MEDIUM TERM GERMAN GOVT. BOND (BOBL)(LIFFE)* DM250,000 100ths of 100%

| | Open | Sett price | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 103.33 | 103.36 | +0.11 | 103.36 | 103.30 | 451 | 11410 |

#### Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

| | Open | Sett price | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 118.50 | 118.48 | +0.12 | 118.70 | 118.37 | 10559 | 80374 |
| Jun | | 118.38 | +0.12 | | | 0 | 165 |

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

| Strike Price | Calls Mar | Calls Jun | Puts Mar | Puts Jun |
|---|---|---|---|---|
| 11800 | 1.99 | 3.02 | 1.51 | 2.64 |
| 11850 | 1.74 | 2.77 | 1.76 | 2.89 |
| 11900 | 1.52 | 2.53 | 2.04 | 3.15 |

Est. vol. total, Calls 319 Puts 261. Previous day's open int., Calls 36873 Puts 37422

#### Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

| | Open | Sett price | Change | High | Low | Est. vol. | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 105.28 | 105.25 | +0.08 | 105.45 | 105.13 | 15,597 | 74,724 |
| Jun | 105.20 | 015.15 | +0.27 | 105.35 | 105.20 | 102 | 7,494 |

#### UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

| | Open | Sett price | Change | High | Low | Est. vol. | Open int. |
|---|---|---|---|---|---|---|---|
| Dec | 120-13 | 120-15 | +0-15 | 120-15 | 120-11 | 111 | 4372 |
| Mar | 119-13 | 119-22 | +0-15 | 119-28 | 119-13 | 13777 | 103772 |
| Jun | 119-00 | 118-31 | +0-15 | 119-00 | 119-00 | 10 | 89 |

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

| Strike Price | Calls Mar | Calls Jun | Puts Mar | Puts Jun |
|---|---|---|---|---|
| 119 | 1-44 | 2-09 | 1-00 | 2-11 |
| 120 | 1-10 | 1-44 | 1-30 | 2-46 |
| 121 | 0-48 | 1-18 | 2-04 | 3-21 |

Est. vol. total, Calls 2077 Puts 3779. Previous day's open int., Calls 74708 Puts 39983

#### Ecu

■ ECU BOND FUTURES (MATIF)

| | Open | Sett price | Change | High | Low | Est. vol. | Open int. |
|---|---|---|---|---|---|---|---|
| Dec | 121.98 | 122.18 | +0.36 | 121.98 | 121.98 | 48 | 2,106 |
| Mar | 121.18 | 121.54 | +0.36 | 121.60 | 121.18 | 825 | 11,760 |

#### US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

| | Open | Latest | Change | High | Low | Est. vol. | Open int. |
|---|---|---|---|---|---|---|---|
| Dec | - | 115-10 | -0-13 | - | - | 16,666 | 19,951 |
| Mar | 115-27 | 115-23 | -0-03 | 115-31 | 115-19 | 223,735 | 281,488 |
| Jun | 114-27 | 114-23 | -0-02 | 114-29 | 114-18 | 547 | 11,677 |
| Sep | 113-20 | 113-24 | -0-04 | 113-26 | 113-20 | 58 | 16,502 |

#### Japan

■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

| | Open | Close | Change | High | Low | Est. vol. | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 117.23 | | | 117.36 | 117.23 | 340 | 0 |

* LIFFE contracts traded on APT. All Open interest figs. are for previous day.

### FT-ACTUARIES FIXED INTEREST INDICES

[illegible]

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. ytd Year to date.

### FT FIXED INTEREST INDICES

| | Dec 23 | Dec 22 | Dec 21 | Dec 20 | Dec 17 | Yr ago | High* | Low* |
|---|---|---|---|---|---|---|---|---|
| Govt. Secs. (UK) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Fixed Interest | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

* for 1993. Government Securities high since compilation: [illegible]. Fixed Interest 1926. SE activity indices rebased 1974

### GILT EDGED ACTIVITY INDICES

| | Dec 22 | Dec 21 | Dec 20 | Dec 17 | Dec 16 |
|---|---|---|---|---|---|
| Gilt Edged bargains | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 5-day average | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### UK GILTS PRICES

[illegible]

### Other Fixed Interest

[illegible]

■ "Tap" stock. ‡‡ Tax-free to non-residents on application. E Auction basis. xd Ex dividend. Closing mid-prices are shown in pounds.

# CURRENCIES AND MONEY

**MARKETS REPORT**

# D-Mark gains despite continuing US recovery

The D-Mark gained yesterday against the dollar in spite of economic data signalling a continuation of the strong US recovery, *write Peter Marsh and Emma Tucker.*

The French franc was also moderately strong against other important currencies, rounding off a helter-skelter year for the French currency.

In thin holiday trading, the dollar found few buyers, in spite of data indicating durable goods orders rose 2 per cent in November, above market forecasts.

After hitting DM1.693 in European trading, the dollar gained slightly by the close but only to DM1.6935, down nearly a pfennig on the previous night's finish.

The franc was steady against the D-Mark as French Economy Minister Edmond Alphandery told a news conference the government would not hesitate to take further steps to help stimulate growth, if that were necessary. The French franc closed last night little changed against the Germany currency at FFr3.406.

In other parts of Europe, the Austrian central bank announced a cut in its GOMEX money market intervention rate by 10 basis points to 5.6 per cent from December 27, while the National Bank of Greece said the bank would reduce its deposit rate by 1 percentage point to 16 per cent in the next few days.

There were few buyers for sterling as dealers, reluctant to take positions over Christmas, quoted prices defensively.

In spite of this, the pound held firm against the D-Mark in late European trading, and gained against a generally weaker dollar to break through the psychologically important $1.50 barrier.

It closed in London up ¼ of a pfennig at DM2.5475, with analysts yesterday predicting that at least in the short-term, there was little upside left for the pound. Against the dollar it closed at $1.5040 against the previous day's $1.4950.

● The Bank of England announced that from January 20, it would introduce a new, permanent sale and repurchase agreement, or repo, to relieve money market shortages.

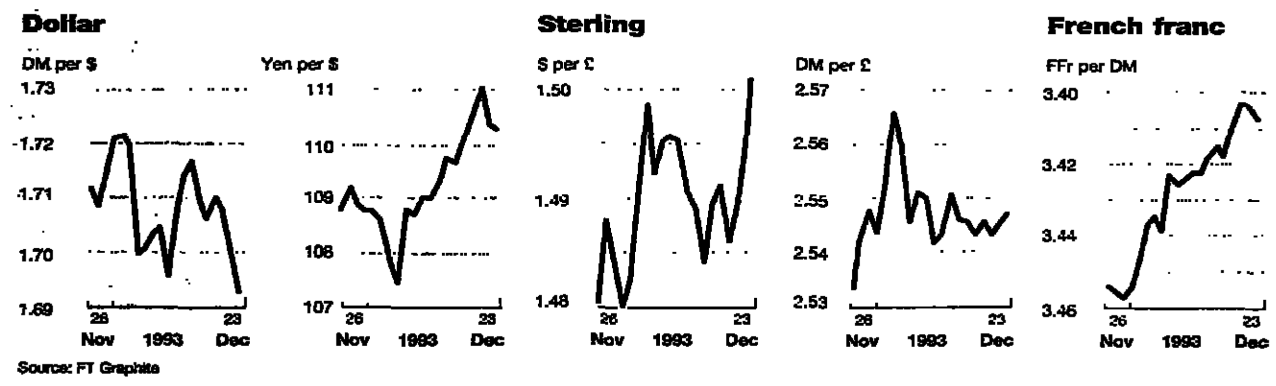
The move to the permanent repo still depends on consultations currently under way with banks and building societies, but follows on from the special facilities that were originally required after Black Wednesday last year to help offset the exceptionally large money market shortages that arose from the settlement of official foreign exchange transactions.

In the meantime, the Bank said it would offer temporary facilities to take effect from January 5, maturing on January 20, to replace the outstanding January 5 maturing repo.

On the money markets, the overnight rate slipped as low as 3½ per cent, as a £1.5bn shortage was easily removed. The March short-sterling contract moved about 5 basis points higher to close at around 94.82 and the three month interbank rate ended the day at 5⅝ per cent.

**■ Pound in New York**

| Dec 23 | —Latest— | — Prev. close — |
|---|---|---|
| £ spot | 1.5075 | 1.4965 |
| 1 mth | 1.5046 | 1.4935 |
| 3 mth | 1.5001 | 1.4887 |
| 1 yr | 1.4880 | 1.4760 |




Source: FT Graphite

## POUND SPOT FORWARD AGAINST THE POUND

| Dec 23 | | Closing mid-point | Change on day | Bid/offer spread | Day's Mid high | Day's Mid low | One month Rate | One month %PA | Three months Rate | Three months %PA | One year Rate | One year %PA | Bank of Eng. Index |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Europe** | | | | | | | | | | | | | |
| Austria | (Sch) | 17.90 | - | 785 - 795 | 17.95 | 17.85 | 17.9037 | -0.3 | 17.9131 | -0.3 | - | - | 114.1 |
| Belgium | (BFr) | 53.00 | +0.25 | 295 - 305 | 53.15 | 52.80 | 53.1 | -2.3 | 53.24 | -1.8 | 53.57 | -1.1 | 113.8 |
| Denmark | (DKr) | 9.9625 | +0.0175 | 475 - 575 | 9.9650 | 9.9230 | 9.9748 | -2.7 | 10.0024 | -2.0 | 10.0692 | -1.2 | 115.8 |
| Finland | (FM) | 8.4985 | -0.03 | 835 - 135 | 8.5400 | 8.4645 | - | - | - | - | - | - | 80.1 |
| France | (FFr) | 8.6775 | +0.015 | 725 - 825 | 8.6975 | 8.6495 | 8.6869 | -1.3 | 8.7047 | -1.3 | 8.7275 | -0.6 | 108.6 |
| Germany | (DM) | 2.5475 | +0.0025 | 450 - 500 | 2.5585 | 2.5375 | 2.5499 | -1.2 | 2.5524 | -0.8 | 2.5532 | -0.2 | 123.6 |
| Greece | (Dr) | 368.40 | +0.95 | 810 - 870 | 368.70 | 365.00 | - | - | - | - | - | - | - |
| Ireland | (I£) | 1.0475 | +0.0015 | 470 - 480 | 1.0495 | 1.0450 | 1.0484 | -1.1 | 1.0498 | -0.8 | 1.0535 | -0.6 | 102.7 |
| Italy | (L) | 2492.25 | +8.25 | 175 - 275 | 2495.90 | 2479.75 | 2498.65 | -3.1 | 2511.1 | -3.0 | 2557.6 | -2.6 | 76.6 |
| Luxembourg | (LFr) | 53.00 | +0.25 | 295 - 305 | 53.15 | 52.80 | 53.1 | -2.3 | 53.24 | -1.8 | 53.57 | -1.1 | 113.8 |
| Netherlands | (Fl) | 2.8525 | +0.005 | 475 - 575 | 2.8580 | 2.8430 | 2.8534 | -0.4 | 2.8549 | -0.3 | 2.8498 | 0.1 | 119.0 |
| Norway | (NKr) | 11.0575 | +0.025 | 525 - 625 | 11.1100 | 11.0150 | 11.0645 | -0.8 | 11.0646 | -0.3 | 11.0577 | 0.0 | 85.7 |
| Portugal | (Es) | 260.40 | +0.55 | 990 - 090 | 260.90 | 259.50 | 261.685 | -5.9 | 264.14 | -5.7 | - | - | - |
| Spain | (Pta) | 209.50 | +0.85 | 935 - 965 | 209.65 | 208.80 | 210.22 | -4.1 | 211.435 | -3.7 | 215.645 | -3.0 | 85.1 |
| Sweden | (SKr) | 12.3475 | -0.0075 | 425 - 525 | 12.3885 | 12.3005 | 12.373 | -2.5 | 12.403 | -1.8 | 12.5235 | -1.4 | 73.8 |
| Switzerland | (SFr) | 2.1575 | +0.0075 | 525 - 625 | 2.1625 | 2.1420 | 2.1557 | 1.0 | 2.1518 | 1.1 | 2.1295 | 1.3 | 118.2 |
| UK | (£) | - | - | - | - | - | - | - | - | - | - | - | 81.7 |
| Ecu | - | 1.3175 | +0.0015 | 170 - 180 | 1.3215 | 1.3145 | 1.319 | -1.4 | 1.3213 | -1.2 | 1.3248 | -0.6 | - |
| SDR† | - | 0.927419 | - | - | - | - | - | - | - | - | - | - | - |
| **Americas** | | | | | | | | | | | | | |
| Argentina | (Peso) | 1.5000 | +0.0055 | 995 - 005 | 1.5005 | 1.4910 | - | - | - | - | - | - | - |
| Brazil | (Cr) | 447.75 | +7.95 | 770 - 780 | 448.00 | 439.00 | - | - | - | - | - | - | - |
| Canada | (C$) | 1.9935 | -0.0045 | 930 - 940 | 2.0015 | 1.9845 | 1.9904 | 1.9 | 1.9865 | 1.4 | 1.9794 | 0.7 | 91.3 |
| Mexico | (New Peso) | 4.6730 | +0.0085 | 715 - 745 | 4.6750 | 4.6495 | - | - | - | - | - | - | - |
| USA | ($) | 1.5040 | +0.009 | 035 - 045 | 1.5045 | 1.4940 | 1.5011 | 2.3 | 1.4967 | 2.0 | 1.485 | 1.3 | 66.7 |
| **Pacific/Middle East/Africa** | | | | | | | | | | | | | |
| Australia | (A$) | 2.2175 | +0.0185 | 170 - 180 | 2.2185 | 2.2000 | 2.2156 | 1.1 | 2.2136 | 0.7 | 2.2139 | 0.2 | - |
| Hong Kong | (HK$) | 11.6035 | +0.045 | 030 - 040 | 11.6115 | 11.5410 | 11.5809 | 2.3 | 11.5484 | 1.9 | 11.4687 | 1.2 | - |
| India | (Rs) | 47.10 | +0.25 | 705 - 715 | 47.15 | 47.05 | - | - | - | - | - | - | - |
| Japan | (Y) | 166.25 | +1 | 575 - 675 | 167.00 | 164.90 | 165.79 | 3.3 | 164.915 | 3.2 | 160.875 | 3.2 | 176.0 |
| Malaysia | (M$) | 3.8545 | +0.034 | 540 - 550 | 3.8565 | 3.8180 | - | - | - | - | - | - | - |
| New Zealand | (NZ$) | 2.6895 | +0.024 | 880 - 910 | 2.6895 | 2.6660 | 2.693 | -1.6 | 2.6951 | -0.8 | 2.6963 | -0.3 | - |
| Philippines | (Peso) | 40.70 | +0.3 | 065 - 075 | 40.75 | 40.60 | - | - | - | - | - | - | - |
| Saudi Arabia | (SR) | 5.6390 | +0.024 | 365 - 415 | 5.6415 | 5.6060 | - | - | - | - | - | - | - |
| Singapore | (S$) | 2.3915 | +0.007 | 905 - 925 | 2.3925 | 2.3825 | - | - | - | - | - | - | - |
| S Africa (Com.) | (R) | 5.0730 | +0.0095 | 710 - 750 | 5.0750 | 5.0515 | - | - | - | - | - | - | - |
| S Africa (Fin.) | (R) | 6.6590 | -0.023 | 515 - 665 | 6.6720 | 6.6470 | - | - | - | - | - | - | - |
| South Korea | (Won) | 1214.25 | +2.25 | 415 - 435 | 1215.15 | 1207.10 | - | - | - | - | - | - | - |
| Taiwan | (T$) | 40.15 | +0.15 | 005 - 025 | 40.25 | 39.90 | - | - | - | - | - | - | - |
| Thailand | (Bt) | 38.20 | +0.15 | 815 - 825 | 38.25 | 38.05 | - | - | - | - | - | - | - |

†SDR rate for Dec 22. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1985 = 100. The FT Guide to World Currencies will be published on 29/12/93 containing rates for 24/12/93. Rates for the 31/12/93 will be published on 1/1/94 & repeated on 4/1/94

## DOLLAR SPOT FORWARD AGAINST THE DOLLAR

| Dec 23 | | Closing mid-point | Change on day | Bid/offer spread | Day's mid high | Day's mid low | One month Rate | One month %PA | Three months Rate | Three months %PA | One year Rate | One year %PA | Morgan G'ty chges % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Europe** | | | | | | | | | | | | | |
| Austria | (Sch) | 11.9150 | -0.0425 | 125 - 175 | 11.9570 | 11.9125 | 11.945 | -3.0 | 11.99 | -2.5 | 12.105 | -1.6 | +16.01 |
| Belgium | (BFr) | 35.25 | -0.1 | 520 - 530 | 35.40 | 35.20 | 35.385 | -4.6 | 35.59 | -3.9 | 36.1 | -2.4 | +0.38 |
| Denmark | (DKr) | 6.6175 | -0.0275 | 150 - 200 | 6.6520 | 6.6150 | 6.6452 | -5.0 | 6.6845 | -4.0 | 6.7837 | -2.5 | +10.39 |
| Finland | (FM) | 5.6560 | -0.0425 | 460 - 660 | 5.6985 | 5.6460 | 5.6712 | -3.2 | 5.694 | -2.7 | 5.746 | -1.6 | - |
| France | (FFr) | 5.7700 | -0.025 | 675 - 725 | 5.7975 | 5.7675 | 5.7879 | -3.7 | 5.8175 | -3.3 | 5.88 | -1.9 | -7.33 |
| Germany | (D) | 1.6935 | -0.0085 | 930 - 940 | 1.7025 | 1.6925 | 1.6983 | -3.4 | 1.7054 | -2.8 | 1.7197 | -1.5 | +31.01 |
| Greece | (Dr) | 243.85 | -0.35 | 360 - 410 | 244.50 | 243.60 | 248.1 | -20.9 | 256.35 | -20.5 | 288.85 | -18.5 | - |
| Ireland | (I£) | 1.4355 | +0.01 | 350 - 360 | 1.4360 | 1.4255 | 1.4311 | 3.7 | 1.425 | 2.9 | 1.4075 | 2.0 | - |
| Italy | (L) | 1657.00 | -4.5 | 675 - 725 | 1663.50 | 1656.25 | 1664.5 | -5.4 | 1679 | -5.1 | 1723 | -4.0 | -37.33 |
| Luxembourg | (LFr) | 35.25 | -0.1 | 520 - 530 | 35.40 | 35.20 | 35.385 | -4.6 | 35.59 | -3.9 | 36.1 | -2.4 | +0.38 |
| Netherlands | (Fl) | 1.8970 | -0.007 | 965 - 975 | 1.9055 | 1.8960 | 1.9014 | -2.8 | 1.9082 | -2.4 | 1.9202 | -1.2 | +21.00 |
| Norway | (NKr) | 7.3525 | -0.0275 | 500 - 550 | 7.4065 | 7.3480 | 7.3705 | -2.9 | 7.3905 | -2.1 | 7.45 | -1.3 | -16.05 |
| Portugal | (Es) | 173.15 | -0.65 | 310 - 320 | 173.75 | 173.10 | 174.475 | -9.2 | 176.75 | -8.3 | 184.65 | -6.6 | - |
| Spain | (Pta) | 139.30 | -0.25 | 925 - 935 | 139.85 | 139.25 | 140.06 | -6.5 | 141.3 | -5.7 | 145.425 | -4.4 | - |
| Sweden | (SKr) | 8.2100 | -0.055 | 075 - 125 | 8.2735 | 8.1985 | 8.242 | -4.7 | 8.2887 | -3.8 | 8.435 | -2.7 | -38.42 |
| Switzerland | (SFr) | 1.4340 | -0.0035 | 335 - 345 | 1.4400 | 1.4330 | 1.4356 | -1.4 | 1.4374 | -0.9 | 1.435 | -0.1 | +28.00 |
| UK | (£) | 1.5040 | +0.009 | 035 - 045 | 1.5045 | 1.4940 | 1.5011 | 2.3 | 1.4967 | 2.0 | 1.485 | 1.3 | -28.35 |
| Ecu | - | 1.1415 | +0.0055 | 410 - 420 | 1.1420 | 1.1350 | 1.138 | 3.7 | 1.1325 | 3.2 | 1.1205 | 1.8 | - |
| SDR† | - | 1.38139 | - | - | - | - | - | - | - | - | - | - | - |
| **Americas** | | | | | | | | | | | | | |
| Argentina | (Peso) | 0.9983 | - | 980 - 985 | 0.9985 | 0.9970 | - | - | - | - | - | - | - |
| Brazil | (Cr) | 297.95 | +4.05 | 790 - 800 | 298.00 | 297.90 | - | - | - | - | - | - | - |
| Canada | (C$) | 1.3255 | -0.011 | 250 - 260 | 1.3370 | 1.3215 | 1.3261 | -0.5 | 1.3275 | -0.6 | 1.3335 | -0.6 | -11.75 |
| Mexico | (New Peso) | 3.1100 | -0.007 | 090 - 110 | 3.1110 | 3.1090 | 3.1117 | -0.7 | 3.1158 | -0.7 | 3.13 | -0.6 | - |
| USA | ($) | - | - | - | - | - | - | - | - | - | - | - | -10.10 |
| **Pacific/Middle East/Africa** | | | | | | | | | | | | | |
| Australia | (A$) | 1.4760 | +0.0065 | 755 - 765 | 1.4770 | 1.4710 | 1.4772 | -1.0 | 1.4802 | -1.1 | 1.4883 | -0.8 | -45.85 |
| Hong Kong | (HK$) | 7.7230 | -0.001 | 225 - 235 | 7.7245 | 7.7200 | 7.726 | -0.5 | 7.7282 | -0.3 | 7.7367 | -0.2 | - |
| India | (Rs) | 31.3675 | -0.0038 | 625 - 725 | 31.3775 | 31.3625 | 31.4475 | -3.1 | 31.6525 | -3.6 | - | - | - |
| Japan | (Y) | 110.55 | - | 050 - 060 | 111.05 | 110.15 | 110.465 | 0.9 | 110.215 | 1.2 | 108.375 | 2.0 | +116.08 |
| Malaysia | (M$) | 2.5660 | +0.013 | 655 - 665 | 2.5670 | 2.5520 | 2.569 | -1.4 | 2.577 | -1.7 | 2.6185 | -2.0 | - |
| New Zealand | (NZ$) | 1.7900 | +0.009 | 890 - 910 | 1.7915 | 1.7815 | 1.7913 | -0.9 | 1.7943 | -1.0 | 1.8025 | -0.7 | - |
| Philippines | (Peso) | 27.10 | +0.1 | 705 - 715 | 27.15 | 27.00 | - | - | - | - | - | - | - |
| Saudi Arabia | (SR) | 3.7510 | - | 505 - 515 | 3.7515 | 3.7490 | 3.7595 | -2.7 | 3.771 | -2.1 | 3.791 | -1.1 | - |
| Singapore | (S$) | 1.5915 | -0.002 | 910 - 920 | 1.5945 | 1.5910 | 1.5908 | 0.6 | 1.5907 | 0.2 | 1.594 | -0.2 | - |
| S Africa (Com.) | (R) | 3.3765 | -0.007 | 750 - 780 | 3.3890 | 3.3745 | 3.394 | -6.2 | 3.4233 | -5.5 | 3.536 | -4.7 | - |
| S Africa (Fin.) | (R) | 4.4320 | -0.033 | 270 - 370 | 4.4525 | 4.4270 | 4.457 | -6.8 | 4.517 | -7.7 | - | - | - |
| South Korea | (Won) | 808.15 | -1.75 | 810 - 820 | 809.50 | 807.60 | 811.15 | -4.5 | 814.65 | -3.2 | 833.15 | -3.1 | - |
| Taiwan | (T$) | 26.70 | -0.05 | 685 - 675 | 26.75 | 26.65 | 26.7589 | -2.6 | 26.88 | -2.7 | - | - | - |
| Thailand | (Bt) | 25.45 | - | 540 - 550 | 25.55 | 25.40 | 25.4775 | -1.3 | 25.525 | -1.2 | 25.975 | -2.1 | - |

†SDR rate for Dec 22. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Morgan Guaranty Changes shown for Dec 22. Base average 1980/82=10

## CROSS RATES AND DERIVATIVES

### EXCHANGE CROSS RATES

| Dec 23 | | BFr | DKr | FFr | DM | I£ | L | Fl | NKr | Es | Pta | SKr | SFr | £ | C$ | $ | Y | Ecu |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Belgium | (BFr) | 100 | 18.78 | 16.37 | 4.808 | 1.977 | 4702 | 5.383 | 20.87 | 491.3 | 395.3 | 23.30 | 4.072 | 1.887 | 3.762 | 2.838 | 313.8 | 2.487 |
| Denmark | (DKr) | 53.25 | 10 | 8.719 | 2.560 | 1.053 | 2504 | 2.868 | 11.11 | 261.6 | 210.5 | 12.41 | 2.168 | 1.005 | 2.003 | 1.511 | 167.1 | 1.324 |
| France | (FFr) | 61.07 | 11.47 | 10 | 2.936 | 1.208 | 2872 | 3.288 | 12.74 | 300.1 | 241.4 | 14.23 | 2.487 | 1.152 | 2.298 | 1.733 | 191.6 | 1.519 |
| Germany | (DM) | 20.80 | 3.906 | 3.406 | 1 | 0.411 | 978.0 | 1.120 | 4.341 | 102.2 | 82.22 | 4.847 | 0.847 | 0.392 | 0.783 | 0.590 | 65.27 | 0.517 |
| Ireland | (I£) | 50.57 | 9.497 | 8.281 | 2.431 | 1 | 2378 | 2.722 | 10.55 | 248.5 | 199.9 | 11.78 | 2.059 | 0.954 | 1.903 | 1.435 | 158.7 | 1.258 |
| Italy | (L) | 2.127 | 0.399 | 0.348 | 0.102 | 0.042 | 100. | 0.114 | 0.444 | 10.45 | 8.407 | 0.496 | 0.087 | 0.040 | 0.080 | 0.060 | 6.673 | 0.053 |
| Netherlands | (Fl) | 18.58 | 3.489 | 3.042 | 0.893 | 0.367 | 873.5 | 1 | 3.877 | 91.27 | 73.43 | 4.329 | 0.756 | 0.351 | 0.699 | 0.527 | 58.29 | 0.462 |
| Norway | (NKr) | 47.92 | 8.999 | 7.846 | 2.304 | 0.948 | 2253 | 2.580 | 10 | 235.4 | 189.4 | 11.17 | 1.951 | 0.904 | 1.803 | 1.360 | 150.4 | 1.192 |
| Portugal | (Es) | 20.35 | 3.822 | 3.333 | 0.978 | 0.402 | 957.0 | 1.096 | 4.247 | 100. | 80.45 | 4.743 | 0.829 | 0.384 | 0.766 | 0.578 | 63.86 | 0.506 |
| Spain | (Pta) | 25.30 | 4.751 | 4.142 | 1.216 | 0.500 | 1189 | 1.362 | 5.279 | 124.3 | 100. | 5.895 | 1.030 | 0.477 | 0.952 | 0.718 | 79.38 | 0.629 |
| Sweden | (SKr) | 42.91 | 8.059 | 7.027 | 2.063 | 0.849 | 2018 | 2.310 | 8.955 | 210.9 | 169.6 | 10 | 1.747 | 0.810 | 1.615 | 1.218 | 134.7 | 1.067 |
| Switzerland | (SFr) | 24.56 | 4.612 | 4.021 | 1.181 | 0.486 | 1155 | 1.322 | 5.125 | 120.7 | 97.08 | 5.723 | 1 | 0.463 | 0.924 | 0.697 | 77.06 | 0.611 |
| UK | (£) | 53.00 | 9.953 | 8.678 | 2.548 | 1.048 | 2492 | 2.853 | 11.06 | 260.4 | 209.5 | 12.35 | 2.158 | 1 | 1.994 | 1.504 | 166.3 | 1.318 |
| Canada | (C$) | 26.58 | 4.991 | 4.352 | 1.278 | 0.526 | 1250 | 1.431 | 5.547 | 130.6 | 105.1 | 6.194 | 1.082 | 0.502 | 1 | 0.754 | 83.40 | 0.661 |
| US | ($) | 35.24 | 6.618 | 5.770 | 1.694 | 0.697 | 1657 | 1.897 | 7.354 | 173.1 | 139.3 | 8.211 | 1.435 | 0.665 | 1.326 | 1 | 110.6 | 0.876 |
| Japan | (Y) | 318.7 | 59.85 | 52.18 | 15.32 | 6.302 | 14985 | 17.16 | 66.51 | 1565 | 1260 | 74.26 | 12.98 | 6.013 | 11.99 | 9.044 | 1000. | 7.925 |
| Ecu | | 40.21 | 7.552 | 6.584 | 1.933 | 0.795 | 1891 | 2.165 | 8.392 | 197.6 | 159.0 | 9.370 | 1.637 | 0.759 | 1.513 | 1.141 | 126.2 | 1 |

Yen per 1,000; Danish Kroner, French Franc, Norwegian Kroner and Swedish Kronor per 10; Belgian Franc, Escudo, Lira and Peseta per 100.

### EMS EUROPEAN CURRENCY UNIT RATES

| Dec 23 | Ecu cen. rates | Rate against Ecu | Change on day | % +/- from cen. rate | % spread v weakest | Div. ind. |
|---|---|---|---|---|---|---|
| Ireland | 0.808628 | 0.795565 | -0.00057 | -1.62 | 4.68 | 11 |
| Netherlands | 2.19672 | 2.16648 | +0.00112 | -1.38 | 4.43 | - |
| Germany | 1.94964 | 1.93423 | +0.00014 | -0.79 | 3.81 | - |
| Belgium | 40.2123 | 40.2500 | +0.1172 | 0.09 | 2.89 | -1 |
| France | 6.53883 | 6.59164 | +0.00146 | 0.81 | 2.16 | -7 |
| Denmark | 7.43679 | 7.55648 | -0.00187 | 1.61 | 1.36 | -11 |
| Portugal | 192.854 | 197.749 | +0.168 | 2.54 | 0.44 | -17 |
| Spain | 154.250 | 158.860 | +0.063 | 2.99 | 0.00 | -21 |
| NON ERM MEMBERS | | | | | | |
| Greece | 264.513 | 277.828 | +0.379 | 5.03 | -1.95 | - |
| Italy | 1793.19 | 1891.54 | -1.76 | 5.48 | -2.37 | - |
| UK | 0.786749 | 0.758564 | -0.002051 | -3.58 | 6.82 | - |

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu: a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by the Financial Times.

**■ D-MARK FUTURES** (IMM) DM 125,000 per DM

| | Open | Latest | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 0.5840 | 0.5859 | +0.0020 | 0.5859 | 0.5835 | 31,919 | 111,528 |
| Jun | 0.5818 | 0.5828 | +0.0014 | 0.5828 | 0.5818 | 56 | 3,125 |
| Sep | - | - | - | - | - | 62 | 191 |

**■ JAPANESE YEN FUTURES** (IMM) Yen 12.5 per Yen 100

| | Open | Latest | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 0.9074 | 0.9038 | -0.0045 | 0.9099 | 0.9035 | 28,338 | 97,320 |
| Jun | 0.9100 | 0.9082 | -0.0037 | 0.9100 | 0.9078 | 190 | 3,356 |
| Sep | | 0.9140 | - | - | 0.9140 | 7 | 190 |

**■ PHILADELPHIA SE £/$ OPTIONS** £31,250 (cents per pound)

| Strike Price | CALLS Jan | CALLS Feb | CALLS Mar | PUTS Jan | PUTS Feb | PUTS Mar |
|---|---|---|---|---|---|---|
| 1.400 | 9.88 | 9.53 | 9.63 | - | 0.09 | 0.43 |
| 1.425 | 7.26 | 7.30 | 7.54 | - | 0.30 | 0.83 |
| 1.450 | 4.89 | 5.27 | 5.72 | 0.11 | 0.71 | 1.44 |
| 1.475 | 2.84 | 3.49 | 4.11 | 0.48 | 1.42 | 2.31 |
| 1.500 | 1.32 | 2.15 | 2.80 | 1.40 | 2.52 | 3.43 |
| 1.525 | 0.48 | 1.21 | 1.87 | 3.00 | 4.02 | 4.94 |

**■ SWISS FRANC FUTURES** (IMM) SFr 125,000 per SFr

| | Open | Latest | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 0.6937 | 0.6954 | +0.0007 | 0.6960 | 0.6932 | 32,319 | 50,037 |
| Jun | 0.6940 | 0.6955 | -0.0003 | 0.6955 | 0.6930 | 136 | 227 |
| Sep | - | - | - | - | - | 3 | 24 |

**■ STERLING FUTURES** (IMM) £62,500 per £

| | Open | Latest | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 1.4900 | 1.4952 | +0.0042 | 1.4960 | 1.4884 | 12,739 | 23,966 |
| Jun | 1.4890 | 1.4890 | +0.0038 | 1.4910 | 1.4890 | 375 | 826 |
| Sep | 1.4860 | 1.4866 | +0.0052 | 1.4866 | 1.4860 | 1 | 5 |
| Dec | - | 1.4840 | - | 1.4840 | - | 3 | 1 |

## WORLD INTEREST RATES

### MONEY RATES

**■ THREE MONTH EUROMARK FUTURES** (LIFFE)* DM1m points of 100%

| | Open | Sett price | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 94.50 | 94.54 | +0.06 | 94.55 | 94.49 | 21025 | 215732 |
| Jun | 95.00 | 95.05 | +0.06 | 95.06 | 95.00 | 5924 | 145982 |
| Sep | 95.40 | 95.45 | +0.06 | 95.45 | 95.39 | 2827 | 114179 |
| Dec | 95.63 | 95.66 | +0.05 | 95.66 | 95.62 | 2046 | 82997 |

**■ THREE MONTH EUROLIRA INT.RATE FUTURES** (LIFFE) L1000m points of 100%

# MONEY MARKET FUNDS

## Money Market Trust Funds

## Money Market Bank Accounts

### BASE LENDING RATES

### LONDON MONEY RATES

### EURO CURRENCY INTEREST RATES

# LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Wednesday and settled through the Stock Exchange Talisman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Wednesday's Official List the latest recorded business in the three previous days is given with the relevant date.

Rule 535(2) stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd.

‡ Bargains at special prices. ф Bargains done the previous day.

## British Funds, etc

Treasury 13¾% Stk 2000/03 - £140½
Guaranteed Export Finance Corp PLC 12⅞% Gtd Ln Stk 2002(Reg) - £141

## Corporation and County Stocks

Birmingham District Council 11½% Red Stk 2012 - £139 (20De93)
Leeds(City of) 13½% Red Stk 2006 - £147¼ (21De93)

## UK Public Boards

Agricultural Mortgage Corp PLC 5½% Deb Stk 93/95 - £99 (20De93)
Metropolitan Water Metropolitan Water 3% A Stk 63/2003 - £75 (17De93)
Metropolitan Water Southwark & Vauxhall Water Co 3% Deb Stk - £60 (20De93)

## Foreign Stocks, Bonds, etc-(coupons payable in London)

Abbey National Sterling Capital PLC10⅜% Subord Gtd Bds 2002 (Br £ Var) - £120¼
Abbey National Sterling Capital PLC11½% Subord Gtd Bds 2017 - £140½
Abbey National Treasury Servs PLC 6½% Gtd Bds 2003 (Br $ Var) - $100⅞ (17De93)
Abbey National Treasury Servs PLC 7¼% Gtd Nts 1998 (Br £ Var) - £106⅞ (21De93)
Abbey National Treasury Servs PLC 8% Gtd Bds 2003 (Br £ Var) - £108¾ (21De93)
Abbey National Treasury Servs PLC 13⅜% GtdNts1995(Br£1000,10000&100000) - £109¼ (17De93)
Air Products & Chemicals Inc 9½% Nts 1997(Br£1000&10000) - £109½ 109¾ (21De93)
Allied-Lyons PLC 10⅝% Bds 1999(Br£5000&100000) - £117¼ (21De93)
Anglian Water PLC 12% Bds 2014 (Br £10000&100000) - £148½ 8½
Asda Finance Ld 10¾% Cnv Cap Bds2005(Br £5000&100000) - £121 ½ ¾ 3 (20De93)
ASDA Group PLC 9⅝% Bds 2002(Br£1000&10000) - £111⅞ (17De93)
Associated British Ports Hldgs PLC 10⅞% Bds 2015(Br£10000&100000) - £129¼ (21De93)
BAA PLC 11¾% Bds 2016 (Br £10000&100000) - £147⅞
Barclays Bank PLC 9.875% Undated Subord Nts - £114½
Barclays Bank PLC 12¼% Senior Subord Bds 1997(Br£Var) - £121½ (17De93)
Blue Circle Industries Capital Ld 10½% Cnv Cap Bds 2005(Br£5000&100000) - £135½ ¾
Bradford & Bingley Building SocietyCollared FltgRteNts 2003(Reg Multi£1000) - £103
British Aerospace PLC 10¾% Bds 2014 (Br£10000&100000) - £125 (20De93)
British Airways PLC 10⅞% Bds 2008(Br£1000&10000) - £126½ ¾ (17De93)
British Gas PLC 7⅞% Nts 1997 (Br £ Var) - £108⅜ (20De93)
British Land Co PLC 12½% Bds 2016 (Br£10000&100000) - £142.7 (20De93)
British Telecommunications PLC 7⅛% Bds 2003 (Br £ Var) - £105¾ф
Burmah Castrol Capital(Jersey) Ld 9½% Cnv Cap Bds 2006 (Reg £1000) - £152 ½ ¾ .83 3
Burmah Castrol Capital(Jersey) Ld 9½% Cnv Cap Bds 2006(Br£5000&50000) - £152ф 3.29887ф
Cable & Wireless Int Finance BV 10⅜% Gtd Bds 2002 (Br £10000&100000) - £120⅝ (17De93)
Cookson Finance NV 5⅞% Gtd Red Cnv Prf 2004 (BrShs 1&5) - £133½ (17De93)
Credit D'EquipementDesPetitsMoyennesEnterprises UndatedSubordStep-UpNts (Br) - £1.0375ф
Daily Mail & General Trust PLC 8¾% Exch Bds 2005 (Br£1000&5000) - £160½
Dawson Finance NV 9⅜% GtdRedCnvPrf 2004(CertsToBr £116) - £97 (20De93)
Depfa Finance N.V. 7⅛% Gtd Bds 2003 (Br £ Var) - £103⅞ ½ .52 ⅞
East Midlands Electricity PLC 12% Bds 2018 (Br £10000 & 100000) - £152⅞
Eksportfinans AS Subord Fltg Rte Nts 2002(Br$Var) - $101⅛ 101⅜ (20De93)
Elf Enterprise Finance PLC 8¾% Gtd Exch Bds 2006 (Reg £5000) - £109¼
Elf Enterprise Finance PLC 8¾% Gtd Exch Bds 2006(Br£5000&100000) - £107¼ ⅞ 8¼ (17De93)
Far Eastern Textile Ld 4% Bds 2006(Br$10000) - $116¼ 117
Finland(Republic of) 9¾% Nts 1997 (Br£ Var) - £111¼ (17De93)
Guaranteed Export Finance Corp PLC 7¼% Gtd Nts 1998 (Br £ Var) - £105.55
Guaranteed Export Finance Corp PLC 10⅝% Gtd Bds 2001 (Br£Var) - £124½ (17De93)
Halifax Building Society 7¾% Nts 1998 (Br £ Var) - £106⅞ (20De93)
Halifax Building Society 10⅜% Nts 1997(Br£1000&10000) - £113 (17De93)
Halifax Building Society 11% Subord Bds 2014(Br£10000&100000) - £133¾ ⅞ (20De93)
Halifax Building Society Collared Fltg Rte Nts 2003 (Br £ Var) - £103⅞ 104 (17De93)
Hammerson Property Inv & Dev Corp 7⅞% Bds 2003 (Br £ Var) - £98½ (17De93)
Hanson PLC 9½% Cnv Subord 2006 (Br £Var) - £125¼ф 6.80242ф
Hanson Trust PLC 10% Bds 2006 (Br£5000) - £119⅞ 20 (20De93)
Hepworth Capital Finance Ld 11.25% Cnv Cap Bds 2005 (Br£1000&10000) - £146 (20De93)
Hickson Capital Ld 7% Cnv Cap Bds 2004 (Reg) - 129¼ (20De93)
Hydro-Quebec 6.50% Debs Sers IK 1998(Reg £ Vars) - £100.8 1.3 (20De93)
International Bank for Rec & Dev 9¼% Bds 2007 (Br£5000) - £122½ (20De93)
Italy(Republic of) 10½% Bds 2014 (Br£10000&50000) - £130⅝ (21De93)
Japan Development Bank 7% Gtd Bds 2000 (Br £ Var) - £105⅛ (20De93)
Ladbroke Group PLC 5⅛% Subord Cnv Bds 2004(Br£1000&5000) - £132
Land Securities PLC 9½% Bds 2007(Br£1000&10000) - £115⅞ (17De93)
Lasmo PLC 7¾% Cnv Bds 2005(Br£1000&10000) - £91 2
Lasmo PLC 9½% Nts 1999 (Br £ Var) - £106 (17De93)
Leeds Permanent Building Society 10½% Subord Bds 1998 (Br£5000) - £114⅞ (20De93)
Leeds Permanent Building Society 11½% Nts 1996 (Br £5000&100000) - £112.3 (17De93)
Leeds Permanent Building Society Collared FltgRteNts 2003(Reg Multi£1000) - £103¼ (17De93)
Leeds Permanent Building Society Collared Fltg Rte Nts 2003 (Br £ Var) - £104
Lloyds Bank PLC 9⅝% Subord Bds 2023 (Br £ Var) - £122½
Lloyds Bank PLC 10¼% Subord Bds 1998(Br£10000) - £114 ⅛ (21De93)
MEPC PLC 10¼% Bds 2003(Br£1000&10000) - £116½
Marks & Spencer Finance PLC 7⅜% Gtd Nts 1998 (Br £ Var) - £106⅛ (17De93)
Municipality Finance Ld 9½% Gtd Nts 1997 (Br £Var) - £110
National Westminster Bank PLC 11¾% Subord Nts 2001 (Br £Var) - £127 (20De93)
National Westminster Bank PLC 11½% Und-SubNts £1000(Cnv to Prf)Reg - £128 ⅛ ½
National Westminster Bank PLC 11½% Und-SubNts £1000(Cnv to Prf)Br - £128¾ф
Nationwide Building Society 8⅝% Subord Nts 2018 (Br £ Var) - £107¼ ⅜ ½ ⅝ ⅝
Norway (Kingdom of) 7.25% Nts 1998(Br $C Vars) - $C104⅞ 105¼
Pacific Electric Wire&Cable Co Ld 3¼% Bds 2001(Br$10000) - $125 (20De93)
Pearson PLC 10½% Bds 2008(Br£1000&10000) - £125⅞
Peninsular & Oriental Steam Nav Co 11½% Bds 2014 (Br£10000&100000) - £134 (21De93)
RMC Capital Ld 8¾% Cnv Cap Bds 2006 (Br £5000&50000) - £139 (17De93)
RTZ Canada Inc 7¼% Gtd Bds 1998(Br£5000&100000) - £103½ (21De93)
Redland Sterling Funding PLC 10⅞% Gtd Bds 2001 (Br £Var) - £122½ (20De93)
Robert Fleming Intl Finance Ld 9¼% Perp Subord Gtd Nts (Br £ Var) - £101⅞ 2⅛
Royal Bank of Scotland PLC 9½% Undated Subord Bds (Br £ Var) - £113⅛ф
Royal Bank of Scotland PLC 10⅝% Subord Bds 1998 (Br£5000&25000) - £115⅞ (21De93)
Royal Insurance Hldgs PLC 9⅞% Subord Bds 2003 (Br £ Var) - £111⅛ (17De93)
Sainsbury (J.)(Channel Islands)Ld 8½%CnvCapBds 2005(Br £5000&100000) - £148½ф
Smith & Nephew Finance N.V. 8¾% Gtd Red Cnv Prf 2004 (Br) - £115 ¾ (17De93)
Societe Generale 7.875% Perp Subord Nts (Br £ Var) - £103⅞ (17De93)
State Bank of New South Wales Ld 7% Bds 1999 (Br $A Var) - $A104⅜
Svensk Exportkredit AB Zero Cpn Bds 1994(Br$10000) - $97.15 (20De93)
Sweden(Kingdom of) 11¼% Bds 1995(Br £5000) - £108⅝ (17De93)
Tarmac Finance (Jersey) Ld 9½% Cnv Cap Bds 2006 (Reg £1000) - £119 ½ ½
Tarmac Finance (Jersey) Ld 9½% Cnv Cap Bds 2006(Br £5000&50000) - £115½ (17De93)
Tate & Lyle Int Fin PLC 5¾% Gtd Bds 2001 (Br £5000) - £90¾
Tate&Lyle IntFin PLC/Tate&Lyle PLC 5¾% T&LItFnGdBds 2001(Br) W/WtsT&LPLC - £89¾ (17De93)
Tesco PLC 8¾% Bds 2003(Br£Vars)(P/Pd-20/2/94) - £31 ¼ ⅞
Tesco PLC 10⅜% Bds 2002 (Br £Var) - £120⅛ ⅜
Tesco Capital Ld 9% Cnv Cap Bds 2005(Reg £1) - £125½ 6
Tesco Capital Ld 9% Cnv Cap Bds 2005(Br£5000&10000) - £122½
Thames Water PLC 9½% CnvSubordBds 2006(Br£5000&50000) - £152 (20De93)
3i International BV 7¾% Gtd Bds 2003 (Br £ Var) - £105½
Trafalgar House PLC 10⅝% Bds 2016(Br£1000&10000) - £115¾ 6 (21De93)
Treasury Corporation of Victoria 8¾% Gtd Bds 2003 (Br £ Var) - £111⅝
Unilever PLC 12¼% Nts 1994(Br£1000&10000) - £100⅞ (20De93)
Unilever PLC 7⅜% Nts 1998 (Br £ Var) - £108⅜ (20De93)
Victorian Pblc Athrs Fin Agency 9⅝% Gtd Bds 1999(Br£Vars) - £114⅝ (21De93)
Wellcome PLC 8¾% Bds 2006(Br£1000&10000) - £120½ (21De93)
Woolwich Building Society 7% Nts 1998 (Br £ Var) - £103⅛ ⅞ (20De93)
Woolwich Building Society 11⅝% Subord Nts 2001 - £123¾ (21De93)
Woolwich Building Society 10⅛% Subord Nts 2017 (Br £ Var) - £119¾
Prudential Funding Corporation $C150m 7% Nts 10/8/98 - $C102¼ (21De93)
Sweden(Kingdom of) £600m 7½% Nts 3/12/97 - £105½ .62 ¾
Sweden(Kingdom of) £350m 7⅝% Bds 28/7/2000 - £107 (21De93)
Toyota Motor Credit Corporation $100m Fltg Rte Nts October 2000 (Br$Var) - $97.98

## Corporation Stocks - Foreign

Dresden(City of) 5½% Stg Ln 1927(Cpn 25) - £88 (21De93)

## Sterling Issues by Overseas Borrowers

Asian Development Bank 10¼% Ln Stk 2009(Reg) - £133.55 6 (20De93)
Australia(Commonwealth of) 9½% Ln Stk 2012(Reg) - £120 (21De93)
Bank of Greece 10¾% Ln Stk 2010(Reg) - £122
Bank of Greece 10¾% Ln Stk 2010(Br) - £119½ ½
Caisse Nationale Des Autoroutes 16% Gtd Ln Stk 2006 - £177⅞ (21De93)
Denmark(Kingdom of) 13% Ln Stk 2005 - £149½ (20De93)
European Investment Bank 9% Ln Stk 2001 (Reg) - £115¾
European Investment Bank 9½% Ln Stk 2009 - £126¾
European Investment Bank 10⅜% Ln Stk 2004(Reg) - £129½ (20De93)
Hydro-Quebec 15% Ln Stk 2011 - £167⅛ (20De93)
International Bank for Rec & Dev 11.5% Ln Stk 2003 - £136 ⅞ .3375
Malaysia 10¾% Ln Stk 2009(Reg) - £126 (17De93)
Malaysia 10¾% Ln Stk 2009(Br) - £125¼
New Zealand 11¾% Stk 2008(Reg) - £137⅞ (21De93)
Nova Scotia(Province of) 16¾% Ln Stk 2011 - £183⅞ (20De93)
Petroleos Mexicanos 14½% Ln Stk 2006 - £139¼ (17De93)
Portugal(Rep of) 9% Ln Stk 2016(Reg) - £121⅞
Portugal(Rep of) 9% Ln Stk 2016(Br) - £120½ (21De93)
Province de Quebec 12¼% Ln Stk 2020 - £152¾
Sweden(Kingdom of) 13.5% Ln Stk 2010(Reg) - £169½ 60⅜ (20De93)

## Listed Companies(excluding Investment Trusts)

ASH Capital Finance(Jersey)Ld 9½% Cnv Cap Bds 2006 (Reg Units 100p) - £95 (17De93)
Aberdeen Trust PLC A Wts to Sub for Ord - 35 (20De93)
Abtrust Atlas Fund Shs of NPV(Dollar Bond Portfolio) - $1.987 (17De93)
Aetna Malaysian Growth Fund(Cayman)Ld Ord $0.01 - $13⅛ф 13¼ф 13.45ф
Albert Fisher Group PLC ADR (10:1) - $10
Alexon Group PLC 6.25p (Net) Cnv Cum Red Prf 10p - 69
Allied-Lyons PLC ADR (1:1) - $9.55 9¾
Allied-Lyons PLC 5½% Cum Prf £1 - 63 (17De93)
Allied-Lyons PLC 11¾% Deb Stk 2009 - £142⅞ (21De93)
Allied-Lyons PLC 7¾% Uns Ln Stk 93/98 - £99½ 100
Alvis PLC 5.5% Cnv Cum Non-Vtg Red Prf £1 - 74 5½
American Brands Inc Shs of Com Stk $3.125 - $33⅞ф
Ameritech Corp Shs of Com Stk $1 - £52⅝ (21De93)
Andrews Sykes Group PLC Cnv Prf 50p - 45 (17De93)
Anglian Water PLC 5⅛% Index-Linked LnStk 2008(5.1024%) - £144½ (21De93)
Anglo-Eastern Plantations PLC Warrants to sub for Ord - 24
Anglovaal Ld N Ord R0.0001 - £16¼
Armour Trust PLC 10½% Uns Ln Stk 91/96 - £98 (21De93)
Associated British Foods PLC 5½% Uns Ln Stk 87/2002 50p - 44 (17De93)
Associated British Foods PLC 7½% Uns Ln Stk 87/2002 50p - 49
Attwoods PLC ADR (5:1) - $10.249658 .37465
Attwoods (Finance) NV 8½p Gtd Red Cnv Prf 5p - 95 6½ .55 ¾ 7
Automated Security(Hldgs) PLC 6% Cnv Cum Red Prf £1 - 72 .21 ¼ .46 ½ .54 3
B.A.T Industries PLC ADR (1:1) - $7.94ф
BET PLC ADR (4:1) - $7.87474 8
BICC PLC 3.85%(Frmly 5½%) 2nd Cum Prf Stk £1 - 61 (20De93)
BM Group PLC 4.8p (Net) Cnv Cum Red Prf 20p - 38 ½ 9 ½
BOC Group PLC ADR (1:1) - $9.72
BTP PLC 7.5p(Net) Cnv Cum Red Prf 10p - 187 91 (21De93)
BTR PLC ADR (4:1) - $21⅝ (21De93)
Baillie Gifford Technology PLC Warrants to sub for Ord - 11
Bank of Ireland(Governor & Co of) Units NCP Stk SrsA Ir£1&Ir£9 Liquidation - I£13.15 (21De93)
Banner Homes Group PLC Ord 10p - 115 8 23 4
Barclays PLC ADR (4:1) - $36½ (21De93)
Barclays Bank PLC 16% Uns Cap Ln Stk 2002/07 - £155 (21De93)
Bardon Group PLC 7.25p (Net) Cnv Red Prf 25p - 95½

[illegible]

Wigmore Property Investment Tst PLCWts to Sub for Ord - 42½ф
Wilan Investment Co PLC 8½% Deb Stk 2016 - £116½ (21De93)

## Miscellaneous Warrants

Barclays De Zoete Wedd Wts Ld Call Wts(Srs B)Rltg HSBC Ord 17/6/94 - £5½

## USM Appendix

Dakota Group PLC Ord Ir£0.25 - I£0.17 (20De93)
FBD Holdings PLC Ord Ir£0.50 - I£2
Gibbs Mew PLC Ord 25p - 400 (21De93)
Great Southern Group PLC 6.75p Cum Cnv Red Prf 5p - 165 (20De93)
Hoskins Brewery PLC Ord 50p - 73 7
Midland & Scottish Resources PLC Ord 10p - 2 ½
Total Systems PLC Ord 5p - 23 5 7 (20De93)
United Energy PLC Wts to sub for Ord - 3 (20De93)

## Rule 535(2)

Ann Street Brewery Co Ld Ord £1 - £3.35 (21De93)
Arsenal Football Club PLC Ord £1 - £305
Ascot Hldgs PLC Var Rate Cnv Cum Red Prf 10p - £0.0525 0.06 (17De93)
Barclays Investment Fund(C.I.) Sterling Bd Fd - £0.492 (20De93)
Channel Islands Comms (TV) Ld Ord 5p - £0.6 (21De93)
Charinco/Charishare Charinco Distr - £1.946 (20De93)
Conister Trust Ld Ord 25p - £0.24 (17De93)
Country Gardens PLC Ord 25p - £0.⅞ (21De93)
Dawson Hldgs PLC Ord 10p - £4.2 (20De93)
Elliot (B.) PLC 7.5% (Net) Cnv Cum Red Prf £1 - £1.09 1.11
Five Arrows Int Equity Fd Japanese Smaller Co's Fd - £5.722 (17De93)
Gander River Resources PLC Ord 5p - £0.07 0.075 0.0825
Guernsey Gas Light Co Ld Ord 10p - £0.7
HRW Antiques PLC Ord £1 - £0.25125 (21De93)
Hampshire Company PLC Ord 15p - £0.17
Hydro Hotel Eastbourne PLC Ord £1 - £4

[illegible]

Porton International PLC Ord £1 - [illegible]
Rangers Football Club PLC Ord 10p - £1.1 (21De93)
Schroder Management Services(Guern)Schroder European Bond - $11.07154ф
Select Industries PLC New Ord 7½p(2½p Regd) - £0.005 (20De93)
Shepherd Neame Ld "A" Ord £1 - £7 7.15
Sinclair Research Ld Ord 25p - £0.15 (21De93)
South Green Hldgs PLC Ord 1p - £0.0125 (21De93)
Southern Newspapers PLC Ord £1 - £3.50
Thwaites(Daniel)& Co PLC Ord 25p - £2¼ (20De93)
Tiaghur PLC Ord 5p - £0.22 0.24
Tracker Network PLC Ord £1 - £5.85 6 6.1 (21De93)
UAPT-Infolink PLC Ord 25p - £0.68
Westabb Ld "A" Non.V Ord 25p - £13 (20De93)
Yates Bros Wine Lodges PLC Ord 25p - £2.15 (17De93)

**RULE 535 (4) (a)**
**Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.**

City Developments S$7.22 (17/12)
Community Psychiatric $12.84ф (17/12)
Dainippon Screen Y563.93 (21/12)
Elec & Eltek Co. HK$1.0542 (20/12)
Far East Hotels HK$1.90 (21/12)
Forest Laboratories £30.38 (21/12)
Kulim Malaysia £1.0
Leighton Hldgs. A$2.17
National Electronics 3.5 (17/12)
Oil Search A$0.915
Portman Mining A$1.673 (17/12)
Samantha Hldgs. £2.22 (20/12)
Sapphire Mines 3.0 (21/12)
Singapore Land $4.0 (20/12)
Storer Communictions SK389.36

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هكذا من الأصل



# LONDON STOCK EXCHANGE

**MARKET REPORT**

# FT-SE 100 Index breaks through the 3,400 mark

**By Terry Byland, UK Stock Market Editor**

The squeeze on marketmakers in a London stock market now convinced that the new year will feature low interest rates and inflation sent share prices racing to new peaks yesterday. The FT-SE 100 Index broke through 3,400 briefly before closing a net 40.8 points ahead on the session at 3,396.5.

The action started early, with the stock market moving up on its own initiative, without waiting for the stock index futures market to open. But the March contract on the Footsie added fuel to the fire, showing a substantial premium to cash in early deals, and the initial gain of 18 points on the Footsie was quickly extended to more than 30 points.

Equities were responding to signs that the buying programme operated by a Swiss investment house on Wednesday night was taking effect. Another Swiss house followed suit yesterday afternoon in the cash market.

Marketmaking firms are now gripped in a vice. They cannot refuse to sell stock to the big institutions, *but they soon find* that hardly anyone will sell stock to them when they need it for delivery.

Yesterday, with the extended Christmas holiday ahead, some dealers were willing to pay substantial premiums for stock, thereby pouring oil on the flames of their own bonfire.

The squeeze among the second line issues was even stronger than on those in the FT-SE 100 list. At 3,762.8, the FT-SE Mid 250 Index closed 35.8 points higher on the day.

| Account Dealing Dates | | |
|---|---|---|
| *First Dealings: Dec 13 | Jan 4 | Jan 17 |
| Option Declarations: Dec 30 | Jan 13 | Jan 27 |
| Last Dealings: Dec 31 | Jan 14 | Jan 28 |
| Account Day: Jan 10 | Jan 24 | Feb 7 |

*New time dealings may take place from two business days earlier.

Overall Seaq volume rose to 885.2m shares. But 16 per cent of this total came from very low priced dealings in nil-paid stocks. On Wednesday, 779.2m shares traded through Seaq for a retail worth of £1.56bn.

Among the best-favoured sectors were the media stocks, where Reuters rose strongly on hints that an important deal was pending in the US. Hotel shares, which suffered badly during the downturn in global tourist and consumer markets, moved sharply higher as investors struggled to get hold of stock.

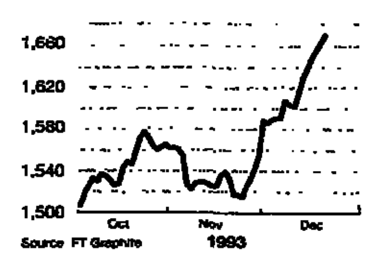
Oil shares, having been held back over the past month by weakness in crude oil prices, were helped by the *better performance of the sector on* Wall Street. The New York market was up by a further 8 Dow points in UK hours yesterday, and US interest added to the day's gains in oil issues in London.

Financial shares had a more mixed session as some profits were taken in sectors showing substantial gains over the past month and also over the year as a whole. But dealers stressed that across the range of the market, investors were more inclined to let profits run into what is expected to be a successful new year than to take quick profits at this stage.

Among the more bullish of the market strategists, Mr Nicholas Knight of Nomura predicted yesterday that the Footsie will reach 3,700 by the end of January. He identifies further increases in cash at the US *mutual funds which, he says, are* increasingly attracted to the UK as a useful and lucrative "dumping ground" for cash.

The equity market was also helped by firmness in UK government bonds, reflecting general confidence that inflation and interest rates will be kept low next year. Short-dated bonds remained steady, while at the longer end, prices gained just over half a point, bringing yields down to around 6.45 per cent on these issues.

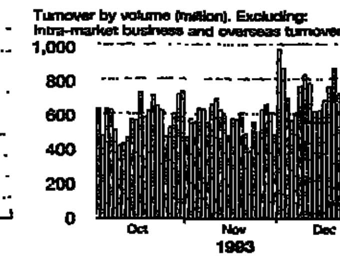
**FT-A All-Share index**




Source FT Graphite

**Equity Shares Traded**

Turnover by volume (million). Excluding: Intra-market business and overseas turnover




## Key Indicators

| Indices and ratios | | |
|---|---|---|
| FT-SE Mid 250 | 3762.8 | +35.8 |
| FT-SE-A 350 | 1691.7 | +19.4 |
| FT-A All-Share | 1669.96 | +18.87 |
| FT-A All-Share yield | 3.39 | (3.43) |
| FT Ordinary index | 2549.2 | +35.2 |
| FT-A 500 p/e | 21.90 | (21.64) |
| FT-SE 100 Fut Mar | 3419.0 | +42.0 |
| 10 yr Gilt yield | 6.17 | (6.23) |
| Long gilt/equity yld ratio: | 1.97 | (1.96) |

| FT-SE 100 Index | |
|---|---|
| Closing index for Dec 23 | 3396.5 |
| Change over week | +59.4 |
| Dec 20 | 3365.9 |
| Dec 21 | 3342.4 |
| Dec 22 | 3355.7 |
| High* | 3400.3 |
| Low* | 3292.7 |

*Intra-day high and low for week

## TRADING VOLUME

### Major Stocks yesterday

| | Vol. 000s | Closing price | Day's change | | Vol. 000s | Closing price | Day's change |
|---|---|---|---|---|---|---|---|
| ASDA Group† | 11,000 | 54½ | +½ | Lonrho | 1,900 | 130 | |
| Abbey National† | 1,800 | 488 | +6½ | Lucas | 1,600 | 194 | +6 |
| Albert Fisher | 2,800 | 85 | | MEPC† | 1,100 | 550 | -1 |
| Allied-Lyons† | 762 | 662 | +8 | MFI | 1,200 | 161½ | +2½ |
| Anglian Water† | 188 | 606 | +13½ | Manweb | 89 | 770 | +14 |
| Argos | 79 | 381 | | Marks & Spencer† | 2,400 | 440½ | |
| Argyll Group† | 2,400 | 276 | +½ | Midlands Elect. | 810 | 728 | +12 |
| Arjo Wiggins† | 5,000 | 240 | -2 | Morrison (Wm.) | 207 | 101 | +1 |
| [illegible] | | | | [illegible] | | | |
| ICI† | 1,000 | 788 | +14 | Vodafone† | 2,500 | 582 | +10 |
| Inchcape† | 2,200 | 561 | +7 | Warburg (SG)† | 521 | 944 | +2 |
| Johnson Matthey | 1,000 | 535 | +11 | Wellcome† | 1,900 | 653 | -8 |
| Kingfisher† | 877 | 737 | +18 | Welsh Water | 92 | 721 | +4 |
| Kwik Save | 921 | 594 | +9 | Wessex Water | 338 | 740 | +20 |
| Ladbroke† | 18,000 | 164 | +9½ | Whitbread 'A'† | 353 | 583 | +4 |
| Land Securities† | 435 | 787 | | Williams Hldgs.† | 429 | 363 | +5 |
| Laporte | 440 | 717 | +8 | Willis Corroon | 328 | 219 | +2 |
| Legal & General† | 212 | 515 | +8 | Wimpey | 2,600 | 184 | +6 |
| Lloyds Abbey | 1,000 | 412 | -6 | Wolseley† | 106 | 853 | +3 |
| Lloyds Bank† | 1,400 | 644 | -4 | Yorkshire Elect. | 29 | 690 | +11 |
| LASMO | 2,400 | 118 | +4 | Yorkshire Water | 306 | 620 | +7 |
| London Elect. | 298 | 671 | +11 | Zeneca† | 1,400 | 814 | +6 |

Based on trading volumes for a selection of major securities dealt through the SEAQ system yesterday until 4.30pm. Trades of one million or more are rounded down. †Indicates an FT-SE 100 Index constituent.

## EQUITY FUTURES AND OPTIONS TRADING

Volume in the derivatives market dried up yesterday as the pressure from recent buy programmes shifted to the underlying stock market and pushed it to a new high, *writes Peter John.*

The March Footsie futures contract was marked up some 23 points at the start of official trading, reflecting a sharp squeeze prompted by bear closing in the market.

However, the advance was not sustained by heavy activity and at the official close less than 5,000 contracts had changed hands and March was only up another 20 points.

It was a day that allowed the futures to breathe more easily after a sustained period of heavy activity, particularly in tailor-made over the counter options which have been expiring recently.

Turnover in the traded options area of the Liffe was at 42,045 contracts, down from Wednesday's 49,000 lots, although that volume had been boosted by stock options scheduled to expire in December.

### FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point

| | Open | Sett price | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 3401.0 | 3419.0 | +42.0 | 3424.0 | 3397.0 | 5906 | 64741 |
| Jun | | 3430.5 | +41.5 | | | 0 | 1759 |
| Sep | | | 0 | | | 0 | 0 |

Contract traded on APT. Open interest figures are for previous day.

### FT-SE 100 INDEX OPTION (LIFFE) (*3396) £10 per full index point

| | 2900 | | 2950 | | 3000 | | 3050 | | 3100 | | 3150 | | 3200 | | 3250 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | C | P | C | P | C | P | C | P | C | P | C | P | C | P | C | P |
| Jan | 208½ | 6 | 163½ | 9½ | 120½ | 16 | 80½ | 26½ | 48½ | 47½ | 26 | 76½ | 12½ | 114½ | 5 | 159½ |
| Feb | 225 | 12 | 182 | 18½ | 143 | 29 | 108½ | 42 | 76½ | 63 | 50½ | 88½ | 32 | 121½ | 18 | 161½ |
| Mar | 239 | 23½ | 197½ | 32½ | 160 | 44½ | 125 | 59½ | 95 | 79 | 70 | 105 | 48 | 135 | 34½ | 172½ |
| Apr | 248½ | 30½ | 210 | 41½ | 172½ | 53 | 140 | 70 | 109½ | 91 | 85 | 117½ | 63 | 146 | 47 | 182 |
| Jun† | 271 | 48 | | | 197½ | 73½ | | | 135 | 111½ | | | 89½ | 166 | 70½ | 198 |

Calls 4,676 Puts 3,039

### EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

[illegible]

## FT-SE-A INDICES - LEADERS & LAGGARDS

Percentage changes since December 31 1992 based on Thursday December 23 1993

| | | | | | |
|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | Hotels & Leisure | +18.54 |
| [illegible] | [illegible] | [illegible] | [illegible] | "500" Share Index | +17.15 |
| Property | +80.75 | Motors | +29.98 | Electricals | +17.01 |
| Electricity | +82.18 | Engineering-General | +29.23 | Industrial Group | +16.10 |
| Building Materials | +80.82 | Telephone Networks | +28.31 | Business Services | +15.71 |
| Banks | +60.27 | Water | +27.01 | Conglomerates | +15.19 |
| Engineering-Aerospace | +58.90 | Oil & Gas | +26.50 | Other Industrials | +14.80 |
| Contracting, Construction | +55.61 | Other Groups | +26.04 | Chemicals | +12.11 |
| Metals & Metal Forming | +53.61 | Stores | +23.38 | Insurance Brokers | +10.98 |
| Financial Group | +50.90 | Pack, Paper, Print | +22.77 | Food Manufacturing | +7.34 |
| Investment Trusts | +44.39 | FT-A All-Share | +22.45 | Textiles | +5.91 |
| Media | +37.54 | FT-SE-A 350 | +21.63 | Consumer Group | +4.11 |
| FT-SE SmallCap | +34.75 | Insurance (Life) | +20.47 | Brewers & Distillers | +1.02 |
| Capital Goods | +31.58 | Electronics | +19.75 | Health & Household | -12.71 |
| FT-SE Mid 250 | +31.43 | Insurance (Composite) | +18.32 | Food Retailing | -20.04 |
| FT-SE SmallCap ex IT | +31.18 | FT-SE 100 | +19.32 | | |

## FT - SE Actuaries Share Indices — The UK Series

| | Dec 23 | Day's chge% | Dec 22 | Dec 21 | Dec 20 | Year ago | Div. yld% | Earn. yld% | P/E ratio | Xd adj. ytd | Total Return | 1993 High | | 1993 Low | | Since Compilation High | | Since Compilation Low | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FT-SE 100 | 3396.5 | +1.2 | 3355.7 | 3342.4 | 3364.9 | 2827.5 | 3.46 | 5.13 | 24.24 | 97.16 | 1243.87 | 3396.5 | 23/12 | 2737.6 | 19/1 | 3396.5 | 23/12/93 | 986.9 | 23/7/84 |
| FT-SE Mid 250 | 3762.8 | +1.0 | 3727.0 | 3706.9 | 3710.4 | 2848.9 | 3.24 | 5.05 | 24.44 | 85.10 | 1363.91 | 3762.8 | 23/12 | 2876.3 | 13/1 | 3762.8 | 23/12/93 | 1379.4 | 21/1/86 |
| FT-SE Mid 250 ex Inv Trusts | 3750.6 | +0.9 | 3718.3 | 3698.4 | 3702.3 | 2859.9 | 3.36 | 5.43 | 22.91 | 97.74 | 1355.05 | 3750.6 | 23/12 | 2874.6 | 1/1 | 3750.6 | 23/12/93 | 1378.3 | 21/1/86 |
| FT-SE-A 350 | 1691.7 | +1.2 | 1672.3 | 1665.1 | 1674.2 | 1378.8 | 3.41 | 5.11 | 24.28 | 47.14 | 1268.71 | 1691.7 | 23/12 | 1348.7 | 19/1 | 1691.7 | 23/12/93 | 664.5 | 14/1/86 |
| FT-SE SmallCap | 1837.79 | +0.9 | 1821.77 | 1815.06 | 1812.46 | - | 3.09 | 3.97 | 32.47 | 43.20 | 1383.25 | 1837.79 | 23/12 | 1377.88 | 4/1 | 1837.79 | 23/12/93 | 1363.79 | 31/12/92 |
| FT-SE SmallCap ex Inv Trusts | 1789.04 | +0.7 | 1776.58 | 1770.93 | 1768.14 | - | 3.31 | 4.45 | 29.62 | 45.49 | 1358.57 | 1789.04 | 23/12 | 1380.06 | 4/1 | 1789.04 | 23/12/93 | 1363.79 | 31/12/92 |
| FT-A ALL-SHARE | 1669.96 | +1.1 | 1651.09 | 1644.08 | 1652.35 | 1355.18 | 3.39 | 5.04 | 24.56 | 46.11 | 1274.61 | 1669.96 | 23/12 | 1330.19 | 19/1 | 1669.96 | 23/12/93 | 61.92 | 13/12/74 |

### FT-Actuaries All-Share

| | Dec 23 | Day's chge% | Dec 22 | Dec 21 | Dec 20 | Year ago | Div. yld% | Earn. yld% | P/E ratio | Xd adj. ytd | Total Return | 1993 High | | 1993 Low | | Since Compilation High | | Since Compilation Low | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 CAPITAL GOODS(216) | 1152.53 | +1.1 | 1140.13 | 1131.79 | 1132.69 | 868.91 | 3.37 | 3.81 | 33.70 | 32.79 | 1371.54 | 1152.53 | 23/12 | 869.89 | 13/1 | 1152.53 | 23/12/93 | 50.71 | 13/12/74 |
| 2 Building Materials(28) | 1429.72 | +1.0 | 1415.18 | 1400.33 | 1401.74 | 888.83 | 3.16 | 2.58 | 53.70 | 35.80 | 1676.57 | 1429.72 | 23/12 | 882.69 | 12/1 | 1429.72 | 23/12/93 | 44.27 | 11/12/74 |
| 3 Contracting, Construction(29) | 1150.43 | +1.2 | 1137.03 | 1131.83 | 1128.12 | 723.63 | 2.77 | 1.11 | 80.00† | 25.21 | 1809.60 | 1180.43 | 23/12 | 716.61 | 20/1 | 1951.58 | 16/7/87 | 71.48 | 2/12/74 |
| 4 Electricals(15) | 2994.42 | -0.4 | 3005.61 | 3025.91 | 3025.86 | 2503.40 | 4.52 | 3.54 | 34.73 | 107.76 | 1227.36 | 3191.58 | 9/8 | 2533.89 | 13/1 | 3191.56 | 9/8/93 | 84.71 | 25/6/62 |
| 5 Electronics(39) | 2819.19 | +0.8 | 2795.50 | 2782.88 | 2782.49 | 2387.15 | 3.12 | 6.20 | 19.26 | 83.63 | 1246.99 | 3008.52 | 31/8 | 2304.14 | 18/1 | 3008.52 | 31/8/93 | 1229.01 | 8/10/85 |
| 6 Engineering-Aerospace(7) | 465.31 | +0.5 | 462.92 | 462.48 | 464.41 | 291.82 | 3.11 | ‡ | ‡‡ | 12.12 | 1632.14 | 474.05 | 30/11 | 294.58 | 13/1 | 502.42 | 13/6/90 | 243.47 | 24/11/82 |
| 7 Engineering-General(48) | 663.40 | +0.4 | 660.54 | 655.51 | 650.92 | 505.55 | 3.26 | 5.14 | 23.68 | 16.79 | 1340.60 | 663.40 | 23/12 | 519.78 | 12/1 | 663.40 | 23/12/93 | 338.57 | 23/1/91 |
| 8 Metals & Metal Forming(9) | 498.08 | +1.0 | 491.40 | 493.42 | 502.67 | 319.51 | 2.40 | 0.69 | 80.00† | 9.76 | 1580.54 | 516.28 | 17/12 | 319.37 | 5/1 | 598.67 | 9/10/87 | 49.65 | 6/1/75 |
| [illegible] | | | | | | | | | | | | | | | | | | | |

### Hourly movements

[illegible]

### FT-SE Actuaries 350 Industry baskets

[illegible]

# Reuters may buy US group

Stock market heavyweight Reuters Holdings cranked up to become one of the day's big gainers as analysts became convinced that the news and electronic information group was poised to attack the US market. The shares advanced 64 to 1880p.

The speculation, which emanated from New York, focused on a bid for Quotron, the US dealing screen arm of Citicorp, which has been making losses and has been seen as up for sale for some time.

Mr Brian Newman, analyst with agency broker Henderson Crosthwaite and a long-time enthusiast of Reuters shares, said a bid was imminent.

"The deal is on. Citicorp will sell the business to Reuters for a nominal sum. This will leave Reuters with a world-wide market share of around 25 per cent of specialist equity terminals - double its present share."

Mr Newman believes the deal will be sufficiently beneficial to send Reuters' US traded American Depositary Receipts up to $100 each – equivalent to a UK share price of £22. However, not all analysts are so enthusiastic. One said: "Quotron is a declining business and I I am not convinced that it is the best way into the US.

## Enterprise Oil hit

A report that French oil group Elf Aquitaine has reclassified its 10 per cent shareholding in Enterprise Oil as a non-core investment was interpreted as increasing the likelihood of the shares being sold and prompted renewed downside pressure on Enterprise shares.

Already unsettled earlier this week by a sell recommendation issued by NatWest Securities, Enterprise shares were among only a handful of poor performers in a generally buoyant market, closing 2 off at 446p. Earlier they had fallen to 442p. Turnover was a higher than usual 1m shares.

Other oil shares managed to move ahead yesterday in spite of the continuing poor showing of crude oil prices, which currently languish below the $14 a barrel mark.

Elf is thought to be planning £600m worth of assets for the next three years and dealers said the Enterprise stake would probably be at the end of the queue. "They would be seen as unwise to unload such a big stake on to the market when a weak oil price has wrought such damage in the sector," said one analyst.

Lasmo rallied 4 to 118p, responding to favourable press comment to the £123m asset sale to PowerGen.

Bank shares came under sustained selling pressure early in the session, as some of the market's action funds began to cash in their profits on the sector and switched to other high yielding areas of the market, such as the utilities.

Hit by the early flurry of selling, the banks then mostly rallied as marketmakers took the opportunity of reple ishing their trading books.

Standard Chartered, however, shrugged aside the early selling, with the stock price stimulated by talk that Cazenove, the bank's own broker, had upgraded its forecasts. Standard shares, amongst the market's outstanding performers in recent weeks following a series of rather wild bid stories, jumped 22 to 1221p as the Cazenove upgrade filtered into the market.

Lloyds Bank, which retains a 4.6 per cent holding in Standard Chartered following its unsuccessful bid for the bank in the 1980's and is always seen as a potential bidder for the company, came under pressure, closing 4 off at 644p.

TSB, put forward by many market observers as one of the market best potential bid targets, put on 3 to 254½p.

Merchant banks continued to move ahead strongly led by Hambros which picked up 8 to 396p, closely followed by Kleinwort Benson, 4 ahead at 595p.

Sun Alliance took the honours in an otherwise subdued composite insurance sector, racing up 16 to 333p after talk of a Flemings buy recommendation. C.E. Heath, still responding to a strong buy recommendation from Kleinwort Benson, added 13 at 380p.

Y.J. Lovell shares plunged 30 per cent, closing 4¾ down at 11p after revealing a loss of almost £60m for the year. That figure included £55m-worth of write offs on land and property values in the UK and the US.

Stores stocks finally shrugged off talk of drab winter sales as reports were heard of a late surge in Christmas shopping. Clothes stocks, which have borne the brunt of the poor sales reports, were in particular demand. Next gained 10½ to 226½p, Austin Reed 8 to 183p, GUS 16 to 631p and Burton 1¼ to 65p. Among others, Boots jumped 14½ to 575p, Goldsmiths 7 to 85p, Kingfisher 18 to 737p, just under its all-time high reached two weeks ago, and Lloyds Chemist 10 to 349p.

Property stocks were left behind by yesterday's rush, although analysts said the sector's recent rumbustious run meant many stocks were looking overbought. MEPC, which has seen its shares jump 12 per cent in the past six weeks, almost double that of the FT-SE 100, slipped a penny to 550p. Land Securities remained at 787p, still 13 off its all-time high hit two sessions ago.

Leisure and property group Ladbroke returned to favour as investors bought it on recovery potential; the stock was also tipped by one newspaper as a likely outperformer in 1994. There was again huge two-way business, with some investors still unwilling to stay in the stock which has been plagued in recent months by speculation over its trading situation and dividend policy. Yesterday, the shares jumped 9½ to 164p in hefty turnover of 16m.

Other lesiure stocks were in demand. Among hotel groups, Stakis jumped 4 to 64p, as did Forte to 261p. Granada Group, still awaiting developments in its TV bid war, continued to make its all-paper bid more attractive as its shares put on 8 to a record 534p.

Elsewhere, Rank Organisation, also among some brokers' tips for 1994, climbed 6 to 960p, while Thorn EMI gained a similar amount at 1009p.

Euro Disney, however, missed the party as the theme park operator dismissed suggestions by its auditors that it may have to close this spring without a much-needed financial restructuring. The shares fell 22 to 373p.

**MARKET REPORTERS:**
**Christopher Price,**
**Peter John,**
**Steve Thompson.**

■ Other statistics, Page 12

## CHIEF PRICE CHANGES YESTERDAY

London (Pence)

| Rises | | | |
|---|---|---|---|
| Beverley | 8 | + | 3½ |
| Boots | 575 | + | 14½ |
| Bullough | 157 | + | 7 |
| Capital Radio | 324 | + | 21 |
| Carlton Comms | 940 | + | 23 |
| Coal Invs | 29 | + | 4 |
| Drew Scientific | 60 | + | 7 |
| Essex Furniture | 220 | + | 22 |
| Ladbroke | 164 | + | 9½ |
| Prowting | 198 | + | 8 |
| Reuters | 1880 | + | 64 |
| Second Cons | 175 | + | 6 |
| Standard Chartd | 1221 | + | 32 |
| **Falls** | | | |
| Abbey Panels | 233 | - | 20 |
| Euro Disney | 373 | - | 22 |
| Expamet Int | 58 | - | 11 |
| Kelsey Inds | 230 | - | 25 |
| Tomkins | 231½ | - | 6 |

## NEW HIGHS AND LOWS FOR 1993

NEW HIGHS (504)

BRITISH FUNDS (9) AMERICANS (1) BANKS (5) Abbey Natl., Bk. of Scotland 9⅛pc Pf., Deutsche Bk., HSBC, HSBC HK, BREWERS (2) Mansfield, Regent Inns, BLDG MATLS (15) BUSINESS SERVS (7) Capita, Casket, Dart, Hays, Rentokil, Rolfe & Nolan, Scott Pickford, CHEMS (6) BASF, BTP, Bayer, Ellis & Everard, Hoechst, Wolstenholme Rink, CONGLOMERATES (2) Daimler-Benz, Grampian, CONTG & CONSTRCN (15) ELECTRICALS (3) Denmans, Dowding & Mills, Oxford Instrs., ELECTRICITY (13) Eastern, London, Manweb, Midlands, National Power, Northern, Northern Ireland, Norweb, PowerGen, Scottish Power, South Wales, South Western, Southern, ELECTRONICS (9) Control Techs., Electrcomps., Eurotherm, Farnell, Phonelink, Rodime, Roxboro, Siemens, Soundtracs, ENG AERO (1) Smiths Inds., ENG GEN (12) Bullough, Carclo, Hill & Smith, IMI, Kvaerner, Molins, Protean, Quadramatic, SEP, Sytone, TI, Verson, FOOD MANUF (2) Matthews (B), Nestle' (Redg). HEALTH & HSEHOLD (5) Amersham, Creighton Naturally, Reckitt & Colman, Talcare, Zeneca, HOTELS & LEIS (10) INSCE BROKERS (1) PWS, INSCE COMPOSITE (2) Angerstein, Lonson Insce., INSCE LIFE (2) Liberty Life Africa, Transatlantic, INV TRUSTS (283) MEDIA (16) MERCHANT BANKS (4) Close Bros., Kleinwort Benson, Singer & Friedlander, Warburg (SG), MTL & MTL FORMING (2) Cooper (Fr), Thyssen, MISC (7) Black (P), Colefax & Fowler, Eurocopy, Frost, Headlam, Nobo, Rothman Uts., MOTORS (12) OIL & GAS (2) BP, Greenway, OTHER FINCL (8) Aberdeen Tst., Cattle's, EFT, Edinburgh Fd. Mngrs., C.vell, Jardine Strategic, Natl. Home 7½pc Pf., Towry Law, OTHER INDLS (4) Coal Invs., English China Clays, Headway, Norcros, PACKG, PAPER & PRINTG (7) Ferguson, Filofax, Kymmene, Regent, Smith (D), Waco, Wyndam Press, PROP (9) Burford, Daejan, Highcroft, McKay Secs., Molyneaux Ests., Mucklow (A.J), Regalian, Southend Std. 5½pc Pf., STORES (15) TELE NETWORKS (6) BT, Cable & Wireless, Do 7pc Cv. '08, Securicor, Security Servs., Vodafone, TEXTS (5) Brit. Mohair, French (T), Hicking Pentecost, Leslie Wise, Victoria Carpet, TRANSPORT (8) WATER (3) Anglian, Southern, Wessex, PLANTATIONS (2) MINES (6).

NEW LOWS (21)

BRITISH FUNDS (7) BUSINESS SERVS (2) BSM, Intl. Food, ELECTRONICS (2) Linx, Vistec, ENG GEN (2) Atlas Cnvg. Equipment, Clyde Blowers, HEALTH & HSEHOLD (1) Healthcare, INSCE BROKERS (1) Hogg, INSCE COMPOSITE (1) Aon, MISC (2) Lilliput, Photo-Me, OTHER INDLS (1) Metrotect, TEXTS (2) Courtaulds, Stoddard.

Data based on those Companies quoted on the London Share Service

# LONDON SHARE SERVICE

## AMERICANS

| | Notes | Price £ | + or - | 1993 high | 1993 low | Mkt Cap£m | Yld Gr's |
|---|---|---|---|---|---|---|---|
| Abbott Labs | | 19½ | — | 28¼ | 15⅝ | 16,070 | 2.3 |
| Allegheny & W | ♥ | 433p | -27 | 722p | 398p | 248.1 | 4.6 |
| Amdahl | | 489p | +22 | 591p | 294p | 516.4 | 0.7 |
| Amer Cyanamid | | 33⅞ | +⅛ | 38 | 31⅝ | 2,998 | 3.5 |
| Amer Express | | 20⅞ | -⅜ | 25⅝ | 14⅞ | 10,045 | 3.2 |
| Amer T & T | | 36¼xd | -⅛ | 43⅛ | 33⅛ | 48,849 | 2.4 |
| Ameritech | | 53¼ | +⅜ | 58¼ | 46 | 23,314 | 4.7 |
| Anheuser-Busch | | 32⅞xd | — | 41¼ | 29⅛ | 9,011 | 2.9 |
| BankAmerica | | 31xd | -½ | 36⅛ | 27⅛ | 11,021 | 3.0 |
| Bankers NY | | 53⅞ | -¼ | 54¼ | 42⅞ | 4,400 | 3.9 |
| Bell Atlantic | | 40⅞ | -½ | 44¼ | 32¼ | 17,604 | 4.4 |
| BellSouth | | 39 | — | 42⅞ | 32⅞ | 19,288 | 4.8 |
| Bethlehem Steel | ♥ | 12⅛ | +¼ | 13¾ | 6½ | 1,145 | - |
| Bowater | | 1577p | — | 1682p | 1169p | 571.4 | 2.5 |
| CPC | | 32⅛ | -⅛ | 34⅞ | 28 | 4,913 | 2.7 |
| California Engy | | 1283p | — | 1479p | 1086p | 235.4 | - |
| Chase Manhattan | | 23¼ | +⅛ | 24⅞ | 17⅞ | 4,288 | 3.5 |
| Chrysler | | 36⅜xd | — | 39 | 21¼ | 10,652 | 1.5 |
| Citicorp | | 24¼ | -¼ | 26 | 13⅛ | 9,383 | - |
| Colgate-Palm | | 40⅞ | +⅜ | 45⅝ | 32 | 6,536 | 2.3 |
| Cont'l Bank | | 1749p | +4 | 1877p | 1270p | 1,787 | 2.3 |
| Dana | | 35⅝xd | +1½ | 39⅛ | 29⅞ | 1,773 | 2.8 |
| Data General | | 565p | — | 951p | 527p | 162.3 | - |
| Decora Inds | ♥ | 79½p | — | 140p | 79½p | - | - |
| Dun & Brad | | 41⅛ | -⅞ | 45⅞ | 37⅛ | 7,377 | 4.0 |
| Eaton | | 33⅞ | +⅛ | 37⅛ | 25⅞ | 2,358 | 2.4 |
| Echlin | | 21⅞ | -⅛ | 22⅞ | 15⅞ | 1,276 | 2.1 |
| FPL | | 26⅛ | -⅛ | 27⅞ | 23⅛ | 4,746 | 6.3 |
| Ford Motor | | 43⅞ | +⅛ | 48⅞ | 28⅛ | 21,816 | 2.4 |
| Gen Elect | | 70⅛ | -⅛ | 70⅞ | 53⅞ | 60,078 | 2.4 |
| General Host | ♥ | 485p | +6 | 723p | 452p | - | 4.7 |
| Gillette | | 39¾xd | -1⅛ | 43⅛ | 31⅞ | 8,781 | 1.4 |
| Hasbro | | 20⅞ | — | 20⅞ | 20⅞ | 1,819 | 0.8 |

## BUSINESS SERVICES

| | Notes | Price | + or - | 1993 high | 1993 low | Mkt Cap£m | Yld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| ADT S | | 585 | +1 | | | | | |
| Adam & Harvey | | 253 | +3 | | | | | |
| Air London | | 64 | — | | | | | |
| African Lakes | | 44 | — | | | | | |
| Auto'ted Sec | | 130 | — | | | | | |
| BET | | 133½ | -3½ | | | | | |
| BNB Res | | 115 | — | | | | | |
| BPP | | 290 | — | | | | | |
| BSM | | 180 | — | | | | | |
| Barbour Index | | 233 | — | | | | | |
| Black & Edg | | 1¼ | — | | | | | |
| Boustead | | 22 | — | | | | | |
| Bridgend | | 23 | — | | | | | |
| Brit Data Mangt | | 218 | +3 | | | | | |
| Brit Fittings | | 78 | — | | | | | |
| Brooks Service | | 59 | — | | | | | |
| Business Post | | 118 | — | | | | | |
| CRT | | 98 | +1 | | | | | |
| Capita | | 213 | +8 | | | | | |
| Casket | | 50xd | +3½ | | | | | |
| Chiltern Capital A | | 23 | — | | | | | |
| Christie Group | | 65 | — | | | | | |
| Chubb Security | | 262xd | +2 | | | | | |
| Corp Servs | | 41 | — | | | | | |
| Coutts Consulting | | 83 | — | | | | | |
| Dart | | 152xd | +12 | | | | | |
| Davis Service | | 234 | +9 | | | | | |
| EW Fact | | 119 | — | | | | | |
| Gardiner | | 28½ | — | | | | | |
| Hays | | 287 | +3 | | | | | |
| Hogg Robinson | | 245 | +7 | | | | | |
| Holmes Protect S | | 38 | — | | | | | |
| Hutch Whmp HK$ | ♥ | 331 | -4 | | | | | |
| ISS B DKr | | 621¼ | — | | | | | |
| Inchcape | | 561 | +7 | | | | | |

## CANADIANS

## BANKS

## BREWERS & DISTILLERS

## BUILDING MATERIALS

## CHEMICALS

## CONGLOMERATES

## CONTRACTING & CONSTRUCTION

## ELECTRICALS

## ELECTRICALS - Cont.

## ELECTRICITY

## ELECTRONICS

## ENGINEERING-AEROSPACE

## ENGINEERING-GENERAL

## ENGINEERING-GENERAL - Cont.

## FOOD MANUFACTURING

## FOOD RETAILING

## HEALTH & HOUSEHOLD

## HOTELS & LEISURE

## HOTELS & LEISURE - Cont.

## INSURANCE BROKERS

## INSURANCE COMPOSITE

## INSURANCE LIFE

## INVESTMENT TRUSTS

## INVESTMENT TRUSTS - Cont.

هكذا من الاصل

# LONDON SHARE SERVICE

## INVESTMENT TRUSTS - Cont.

Net asset values supplied by NatWest Securities Limited as a guide only. See guide to London Share Service.

## INVESTMENT COMPANIES

Net asset values supplied by NatWest Securities Limited as a guide only. See guide to London Share Service.

## MEDIA

## MERCHANT BANKS

## METALS & METAL FORMING

## MISCELLANEOUS

## MOTORS

## OIL & GAS

## OIL & GAS - Cont.

## OTHER FINANCIAL

## OTHER INDUSTRIALS

## PACKAGING, PAPER & PRINTING

## PACKAGING, PAPER & PRINTING - Cont.

## PROPERTY

## STORES

## STORES - Cont.

## TELEPHONE NETWORKS

## TEXTILES

## TRANSPORT

## WATER

## SOUTH AFRICANS

## PLANTATIONS

## MINES

## MINES - Cont.

| Notes | Price | + or - | 1993 high | 1993 low | Mkt Cap £m | Yld Gr's |
|---|---|---|---|---|---|---|
| Europa Mins | 45½ | — | 45½ | 15 | 21.9 | - |
| Glencar Expl I£ | 15 | — | 15 | 6 | 2.77 | - |
| Greenwich Res | 14 | +¼ | 22¼ | 5 | 11.4 | - |
| Hemlo Gold C$ | 67 | — | 28½ | £3½ | 677.4 | 1.4 |
| Ivernia West I£ | 38 | — | 57 | 31 | 19.1 | - |
| Kells Mins I£ | 21 | — | 21 | 6 | 8.51 | - |
| Kenmare | 10½ | +¼ | 13½ | 6 | 10.6 | - |
| Milagro Mins | 15½ | -½ | 18 | 14 | 8.99 | - |
| Navan Res I£ | 146 | — | 160 | 25 | 29.1 | - |
| 5pc Ln Notes | 139 | — | 148 | 25 | 25.0 | - |
| Oryx Gold | 45 | — | 78½ | 27 | - | - |
| ‡‡Ovoca Res I£ | 24 | — | 29½ | 3½ | 1.67 | - |
| RTZ | 788 | +11 | 786 | 607 | 8,383 | 3.1 |

## GUIDE TO LONDON SHARE SERVICE

Company classifications are based on those used for the FT-Actuaries Indices and FT-Actuaries World Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distributions and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current pre-closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- □ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ).
- * Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ф Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ♣ Free annual/interim report available, see details below.
- ✤ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Not officially UK listed; dealings permitted under Rule 535(2)
- ¤ Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- ♠ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
n Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings
v Not subject to ACT
z Dividend yield includes a special payment
F Yield based on prospectus or other official estimates for 1994-95.
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1993.
K Yield based on prospectus or other official estimates for 1992-93
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1993-94.
N Figures based on IIMR 'Headline Earnings'
P Figures based on prospectus or other official estimates for 1994.
R Forecast annualised yield, p/e based on prospectus or other official estimates.
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1235 a year for each security shown, subject to the Editor's discretion

## FT Free Annual Reports Service

You can obtain the current annual/interim report of any company annotated with ♣. Ring 081 770 0770 (open 24 hours including weekends) or fax 081 770 3822, quoting the code FT8633. [If calling from outside UK, dial +44 81 770 0770 or fax +44 81 770 3822] Reports will be sent the next working day, subject to availability. If faxing please remember to state the weekly changing FT code above and also your post code.

## FT Cityline

Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details.

An international service is available for callers outside the UK, annual subscription £250 stg.

Call 071-873 4378 (+44 71 873 4378, International) for more information on FT Cityline.

# FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

# AUTHORISED UNIT TRUSTS

### AIB Unit Trust Managers Limited (1000)F
51 Belmont Rd, Uxbridge, Middx UB8 1RZ 0895 259783

| | Init Chrge | Canc Price | Bid Price | Offer Price | + or - | Yield Gr's |
|---|---|---|---|---|---|---|
| AIB Grofund American | 5 | 164.6 | 166.2xd | 174.9 | -0.80 | 0.00 |
| AIB Grofund Equity | 6 | 249.7 | 249.7 | 264.3 | +1.70 | 1.99 |
| AIB Grofund Euro | 6 | 201.0 | 202.5 | 213.2 | +2.50 | 0.00 |
| AIB Grofund Expt Balanced | 3 | 116.7 | 118.1 | 122.4 | — | 1.22 |
| AIB Grofund Gilt | 3 | 82.80 | 82.80 | 85.47 | +0.07 | 4.23 |
| AIB Grofund Japan | 5 | 157.4 | 158.8xd | 167.2 | +0.40 | 0.00 |

### AXA Equity & Law Unit Tst Mngrs (1200)H
Equity & Law Hse, Corpn St, Coventry 0203 553231

| | Init Chrge | Canc Price | Bid Price | Offer Price | + or - | Yield Gr's |
|---|---|---|---|---|---|---|
| General Inc | 5 | 482.0 | 483.4 | 514.3 | (4) | 2.14 |
| General Acc | 5 | 535.0 | 536.6 | 570.9 | (2) | 2.14 |
| UK Growth Acc | 6 | 361.6 | 366.6 | 390.9 | (2) | 2.30 |
| UK Growth Inc | 6 | 253.4 | 254.7 | 271.1 | (4) | 2.30 |
| Higher Inc Acc | 6 | 679.8 | 688.6 | 732.6 | (2) | 3.24 |
| Higher Inc Inc | 6 | 408.6 | 411.9 | 438.2 | (2) | 3.24 |
| Gilts/Fxd Int Acc | 5½ | 196.2 | 199.2 | 207.2 | (2) | 6.49 |
| Gilts/Fxd Int Inc | 5½ | 100.3 | 100.3 | 105.9 | (2) | 6.49 |
| Nth America | 6 | 250.4 | 256.2 | 272.6 | (4) | 0.00 |
| Far East | 6 | 345.2 | 345.2 | 367.3 | (2) | 0.00 |
| Europe | 6 | 387.4 | 389.6 | 398.8 | (4) | 0.65 |
| Brit Excell | 6 | 73.27 | 74.70xd | 78.94 | (4) | 2.37 |
| Brit Fndmtls Acc | 6 | 103.1 | 104.4 | 111.1 | (4) | 4.03 |
| Brit Fndmtls Inc | 6 | 78.21 | 79.27 | 84.34 | (4) | 4.03 |
| Global Opps | 6 | 82.30 | 83.95xd | 89.31 | (4) | 0.00 |
| Balanced Acc | 6 | 54.57 | 55.75xd | 58.76 | — | 2.18 |
| Balanced Inc | 6 | 54.05 | 54.70xd | 58.58 | — | 2.18 |

### Abbey Unit Tst Mngrs (1000)H
80 Holdenhurst Rd, Bournemouth 0345 717373

| | Init Chrge | Canc Price | Bid Price | Offer Price | + or - | Yield Gr's |
|---|---|---|---|---|---|---|
| Gilts & Fixed Int | 6 | 141.6 | 141.5xd | 150.9 | +0.1 | 5.33 |
| High Inc Equity | 6 | 169.4 | 172.4 | 183.4 | +1.5 | 4.29 |
| Worldwide Bond | 6 | 273.3 | 273.3xd | 288.8 | -0.6 | 3.62 |
| American Growth | 6 | 301.6 | 301.6 | 322.6 | +0.3 | .98 |
| Asian Pacific | 6 | 382.8 | 391.1 | 416.0 | +2.0 | .22 |
| Assets & Earnings | 6 | 280.4 | 286.4xd | 282.3 | +2.4 | 1.03 |
| Capital Reserve Acc | 0 | 130.5 | 130.5 | 130.5 | — | 5.18 |
| Comdty & Energy | 6 | 117.1 | 117.1 | 125.2 | -0.2 | .44 |
| 1982 Enterprise | 6 | 93.18 | 93.18 | 99.65 | +1.05 | 1.83 |
| Euro Capital Acc | 6 | 135.0 | 135.0 | 144.3 | +0.9 | .70 |
| Euro Capital Inc | 6 | 126.0 | 138.9 | 133.7 | +0.8 | .71 |
| General | 6 | 231.6 | 235.5 | 250.5 | +1.6 | 2.17 |
| Japan | 6 | 113.0 | 113.0 | 120.8 | +0.3 | — |
| Mastertrust | 6 | 140.0 | 140.0 | 149.7 | +0.7 | 1.24 |
| UK Growth Acc | 6 | 204.1 | 211.6 | 225.3 | +0.8 | 2.07 |
| UK Growth Dist | 6 | 124.8 | 129.5 | 137.7 | +0.4 | 2.06 |
| US Emerging Cos | 6 | 126.9 | 128.5 | 136.6 | -0.9 | — |
| Income & Growth | 6 | 385.5 | 401.4xd | 427.0 | +3.4 | 3.47 |
| Ethical | 6 | 70.64 | 72.40 | 77.02 | +0.48 | 2.38 |
| International | 6 | 111.1 | 112.9 | 120.1 | +0.6 | .42 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### Mercury Fund Managers Ltd (1000)H
33 King William St, EC4R 9AS Dealing 071-280 2860

| | Init Chrge | Canc Price | Bid Price | Offer Price | + or - | Yield Gr's |
|---|---|---|---|---|---|---|
| American | 5 | 200.5 | 200.5xd | 211.1 | -0.60 | 0.00 |
| (Accum Units) | 5 | 214.3 | 214.3xd | 227.8 | -0.60 | 0.00 |
| American Opps | 5 | 87.07 | 87.54 | 93.38 | -0.45 | 0.00 |
| (Accum Units) | 5 | 88.16 | 88.66 | 94.56 | -0.45 | 0.00 |
| British Blue Chip | 5 | 83.37 | 83.37 | 88.81 | +0.86 | 2.84 |
| (Accum Units) | 5 | 100.3 | 100.3 | 106.7 | +1.00 | 2.84 |
| Cash * | 0 | 100.8 | 100.8 | 100.8 | — | 5.33 |
| (Accum Units) * | 0 | 132.3 | 132.3 | 132.3 | — | 5.33 |
| Emerging Markets | 6¼ | 129.3 | 130.0 | 138.8 | +0.20 | 0.00 |
| (Accum Units) | 5¼ | 129.3 | 130.0 | 138.8 | +0.20 | 0.00 |
| European Growth | 5 | 238.8 | 238.8 | 254.2 | +3.30 | 0.63 |

### Pearl Unit Trusts Ltd (1000)F
Pearl Centre, Lynch Wd, Peterborough PE2 6FY
Dealing: 0800 828577 Enquiries: 0733 470470

| | Init Chrge | Canc Price | Bid Price | Offer Price | + or - | Yield Gr's |
|---|---|---|---|---|---|---|
| Equity | 6 | 246.8 | 250.3xd | 266.2 | +2.00 | 2.12 |
| (Accum Units) | 6 | 509.5 | 516.8 | 549.7 | +4.10 | 2.12 |
| Growth | 5 | 156.5 | 158.0 | 168.2 | +1.10 | 2.30 |
| (Accum Units) | 5 | 276.1 | 279.9 | 294.6 | +2.10 | 2.30 |
| Income | 6 | 251.3 | 254.8 | 271.9 | +1.80 | 3.08 |
| Intl Equity | 6 | 245.1 | 247.8 | 263.6 | +1.60 | 0.70 |
| (Accum Units) | 6 | 271.2 | 273.0 | 290.4 | +1.70 | 0.70 |
| UK Income | 6 | 69.71 | 70.66 | 75.16 | +0.52 | 2.63 |
| UK Intl 25 | 6 | 79.44 | 80.40 | 85.52 | +0.60 | 1.69 |
| UK Smaller Co's Acc | 6 | 82.06 | 84.42 | 89.80 | +0.32 | 1.33 |
| New Europe | 6 | 72.23 | 72.44 | 77.06 | +0.56 | 0.32 |

### Pembroke Administration Ltd (0900)F
16-19 Southampton Pl, London WC1A 2AJ 071-430 0660

| | Init Chrge | Canc Price | Bid Price | Offer Price | + or - | Yield Gr's |
|---|---|---|---|---|---|---|
| Pembroke Accum ♦ | 5 | 165.65 | 166.44 | 175.19 | +2.50 | 1.67 |
| Pembroke World Acc ♦ | 6 | 69.91 | 71.56 | 76.13 | +0.50 | 0.36 |
| Pembroke Balanced | 6 | 172.06 | 172.06 | 184.14 | +1.21 | 2.86 |
| Pembroke Income | 6 | 105.75 | 106.76 | 112.60 | +0.10 | 4.26 |

## Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

**INITIAL CHARGE:** Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

**OFFER PRICE:** Also called issue price. The price at which units are bought by investors.

**BID PRICE:** Also called redemption price. The price at which units are sold back by investors.

**CANCELLATION PRICE:** The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

**TIME:** The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♦) - 1101 to 1400 hours; (♠) - 1401 to 1700 hours; (♣) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

**HISTORIC PRICING:** The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

**FORWARD PRICING:** The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

**SCHEME PARTICULARS AND REPORTS:** The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH Tel: 071-379-0444.

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# FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

Sun Life Unit Tst Man Co Ltd (1200)F

TSB Unit Trusts (1200)F

TSB Unit Trusts (1200)F
Charlton Pl, Andover, Hants, SP10 1RE 0264 346794

T.I.L. Fund Managers Limited (1200)H

Templeton Unit Trust Managers Ltd (1200)F

Stewart Ivory & Co Ltd

Thornton Unit Managers Ltd

| | Bid Price | Offer Price | + or - | Yield Gross |
|---|---|---|---|---|
| Managed Exempt Nov 30 | 136.44 | 140.65 | — | 2.58 |
| (Accum Units) | 152.43 | 157.11 | — | 2.58 |

## INSURANCES

AXA Equity & Law Life Assce
Amersham Road, High Wycombe 0494 463463

| | Bid Price | Offer Price | + or - | Yield Gross |
|---|---|---|---|---|
| UK Equities Ser 5 | 974.7 | 1025.9 | | — |
| Higher Income Ser 5 | 1051.7 | 1107.0 | | — |
| Property Ser 5 | 509.6 | 536.4 | | — |
| Fixed Interest Ser 5 | 428.0 | 450.5 | | — |
| Index Linked Secs Ser 5 | 189.9 | 199.9 | | — |
| Old Deposit Ser 5 | 288.1 | 303.3 | | — |
| Nth America Ser 5 | 427.4 | 450.3 | | — |
| Far East Ser 5 | 546.8 | 575.5 | | — |
| Europe Ser 5 | 360.5 | 379.4 | | — |
| International Ser 5 | 549.6 | 578.6 | | — |
| Balanced Ser 5 | 701.0 | 737.9 | | — |
| Reserve Ser 5 | 147.7 | 155.4 | | — |
| Opportunity Ser 5 | 180.0 | 189.4 | | — |
| Distribution Ser 5 | 108.6 | 114.3 | | — |
| Pens Equity Ser 3 (2) | 1368.1 | 1440.1 | | — |
| Pens Higher Inc S 3 (2) | 332.1 | 349.5 | | — |
| Pens Fixed Int S 3 (2) | 574.6 | 604.7 | | — |
| Pens Index-Linked Sec S 3 (2) | 244.7 | 257.6 | | — |
| Pens Property S 3 (2) | 484.2 | 509.6 | | — |
| Pens N America S 3 (2) | 191.3 | 201.3 | | — |
| Pens Far East S 3 (2) | 318.6 | 335.2 | | — |
| Pens Europe S 3 (2) | 200.4 | 210.9 | | — |
| Pens Overseas S 3 (2) | 819.6 | 862.6 | | — |
| Pens Balanced S 3 (2) | 608.0 | 650.5 | | — |
| Pens Cash S 3 (2) | 417.8 | 439.7 | | — |
| Pens DAF Series 3(2) | 233.9 | 246.2 | | — |
| Pens DAF Series 1(2) | 463.0 | 488.0 | | — |
| Pens Opportunity S 3 (2) | 174.4 | 183.25 | | — |
| Pens Reserve S 3 (2) | 172.4 | 181.4 | | — |

Abbey Life Assurance Co Ltd

## OTHER UK UNIT TRUSTS

[illegible]

# FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

| | Bid Price | Offer Price | + or - | Yield Gross |
|---|---|---|---|---|
| **Royal Heritage Life Assurance Ltd - Contd.** | | | | |
| INVESCO MIM | | | | |
| European Smaller | 179.2 | 188.7 | +1.8 | - |
| Sth & East Asia Gwth | 402.8 | 424.0 | +3.7 | - |
| Inc Growth | 327.0 | 344.3 | +1.2 | - |
| Japan Smlr Cos | 232.7 | 245.0 | -0.1 | - |
| Mun Growth | 267.2 | 281.3 | +1.3 | - |
| Gilt | 89.0 | 93.7 | — | - |
| Perpetual Funds | | | | |
| International Growth | 171.8 | 181.0 | +0.7 | - |
| American Growth | 215.1 | 226.5 | -1.0 | - |
| Intl Emerging Cos | 260.8 | 274.6 | +0.9 | - |
| European | 197.8 | 208.0 | +0.3 | - |
| Managed | 199.5 | 210.0 | +0.6 | - |
| **Royal Life Insurance Ltd** | | | | |
| New Hall Place, Liverpool L69 3HS | | | 051-239 3000 | |
| Royal Shield Fd | 980.5 | 1016.3 | — | - |
| **Royal Life (Unit Linked Assurances) Ltd** | | | | |
| Managed Fund | 383.2 | 403.3 | -1.1 | - |
| Equity Fund | 548.6 | 577.4 | +3.4 | - |
| Property Fund | 296.9 | 312.5 | — | - |
| International Fund | 471.8 | 496.4 | +1.7 | - |
| Gilt Fund | 383.0 | 403.1 | +0.3 | - |
| Money Fund | 215.8 | 227.2 | — | - |
| United States Fund | 247.0 | 260.0 | -1.2 | - |
| Pacific Basin | 294.0 | 309.4 | +1.1 | - |
| **Royal Life (Unit Linked Pension Fds) Ltd** | | | | |
| Exempt Man Fd Acc | 471.7 | 496.5 | +3.2 | - |
| Exempt Equity Fd Acc | 830.4 | 874.1 | +8.6 | - |
| Exempt Prop Fd Acc | 307.5 | 323.8 | — | - |
| Exempt Intl Fd Acc | 769.5 | 810.0 | +1.5 | - |
| Exempt Gilt Fd Acc | 456.3 | 480.3 | +0.5 | - |
| Exempt Money Fd Acc | 296.0 | 311.5 | — | - |
| **Royal Liver Assurance** | | | | |
| Royal Liver Building, Liverpool, L3 1HT | | | 051-236 1451 | |
| UK Equity | 80.8 | 85.0 | — | - |
| Global Equity | 80.3 | 83.5 | — | - |
| High Yield | 77.3 | 81.4 | — | - |
| Intl Equity | 86.0 | 90.5 | — | - |
| Fixed Interest | 82.7 | 87.0 | — | - |
| Money | 75.7 | 79.7 | — | - |
| Managed | 82.4 | 86.7 | — | - |
| Pensions | | | | |
| UK Equity | 87.9 | 92.5 | — | - |
| Global Equity | 83.4 | 88.7 | — | - |
| High Yield | 89.3 | 94.0 | — | - |
| Intl Equity | 95.2 | 100.2 | — | - |
| Fixed Interest | 99.5 | 104.7 | — | - |
| Money | 93.6 | 98.5 | — | - |
| Managed | 92.5 | 97.4 | — | - |
| Tax Exempt | | | | |
| Tax Exempt Mgd | 70.2 | 73.9 | — | - |
| **S-E-Banken Life Assurance Co Ltd** | | | | |
| 149-151 High Rd, Chadwell Hth RM6 6PJ | | | 081-597 7500 | |
| Managed Fund | 156.4 | 164.7 | +0.6 | - |
| Pension Mngd Fd | 173.9 | 183.1 | +0.8 | - |
| **Save & Prosper Group (z)** | | | | |
| 16-22 Western Rd, Romford RM1 3LB | | | 0708-766966 | |

| | Bid Price | Offer Price | + or - | Yield Gross |
|---|---|---|---|---|
| **Scottish Widows' Group** | | | | |
| PO Box 902, Edinburgh EH16 5BU | | | 031-655 6000 | |
| Inv Pol 1 Dec 22 | 871.5 | 871.5 | — | - |
| Inv Pol 2 Dec 22 | 885.0 | 831.7 | — | - |
| Inv Pol 3 Dec 22 | 849.9 | 894.8 | — | - |
| Inv Pol Cash Ser 2 Dec 22 | 304.3 | 320.4 | — | - |
| Inv Pol Cash Ser 3 Dec 22 | 300.6 | 316.6 | — | - |
| Mixed Fund | 463.6 | 488.3 | +3.9 | - |
| Equity Fund | 549.6 | 578.5 | +5.3 | - |
| Property Fund | 218.4 | 230.0 | — | - |
| International Fund | 492.4 | 518.4 | +1.9 | - |
| Fixed Int. Fund | 401.6 | 423.0 | +0.3 | - |
| Index Stk. Fd | 211.5 | 222.7 | +0.1 | - |
| Cash Fd | 221.3 | 233.0 | — | - |
| Pens. Mixed Fd. Ord | 821.2 | 864.0 | -4.2 | - |
| Pens. Equity Fd. Ord | 742.6 | 781.7 | +7.5 | - |
| Pens. Prop. Fd. Ord | 295.3 | 310.9 | — | - |
| Pens. Intl. Fd. Ord | 636.9 | 670.5 | +1.8 | - |
| Pens.Fxd.Int.Fd.Ord | 601.3 | 633.0 | +0.2 | - |
| Pens.Ind.Stk.Fd.Ord | 249.2 | 262.4 | +0.2 | - |
| Pen. Cash Fd. Ord | 337.7 | 355.6 | — | - |
| Building Society | 97.2 | 102.4 | — | - |
| PM Man | 2982.8 | 2982.8 | -42.6 | - |
| PM St Ex | 3188.1 | 3188.1 | -37.2 | - |
| PM St Ex Eq | 138.2 | 138.2 | -1.7 | - |
| PM St Ex Fi | 151.9 | 151.9 | -0.7 | - |
| PM Property | 270.0 | 270.0 | — | - |
| PM Pens Protection | 213.8 | 213.8 | +0.1 | - |
| PM IL Protection | 132.3 | 132.3 | +0.1 | - |
| PM Cash | 385.0 | 385.0 | +0.1 | - |
| **Skandia Life Assurance Co Ltd (z)** | | | | |
| Skandia Hse, Portland Terr, Southampton | | | 0703 334411 | |
| Skandia Price Line 0800 181396 | | | | |
| Life Managed Funds | | | | |
| Skandia Cautious | 145.5 | 153.1 | +0.1 | - |
| Skandia Balanced | 375.7 | 395.4 | +0.5 | - |
| Skandia Distribution | 117.4 | 123.5 | -0.1 | - |
| Skandia Ethical Selection | 118.6 | 124.7 | -0.2 | - |
| Skandia Deposit | 259.4 | 273.0 | — | - |
| Abtrust Managed | 130.8 | 137.6 | +0.3 | - |
| Baring Managed | 142.4 | 149.8 | -0.3 | - |
| CU Managed | 243.0 | 255.7 | — | - |
| Fidelity Managed | 203.6 | 214.3 | +0.4 | - |
| Fleming Managed Inv Tst | 142.9 | 150.4 | +0.8 | - |
| F & C Investment Trust | 183.6 | 193.2 | — | - |
| Framlington Managed | 231.8 | 244.1 | +1.1 | - |
| Gartmore Managed | 264.5 | 278.4 | +1.4 | - |
| Henderson Managed | 262.8 | 276.6 | +0.2 | - |
| Hill Samuel Managed | 234.6 | 246.7 | +0.1 | - |
| Invesco Managed | 202.7 | 213.3 | — | - |
| James Capel Core Mngd | 140.3 | 147.6 | +0.4 | - |
| Kleinwort Benson Mngd | 138.5 | 145.7 | — | - |
| Martin Currie Mngd | 152.5 | 160.5 | -0.1 | - |
| Morgan Grenfell Mngd | 155.4 | 163.5 | -0.1 | - |
| Murray Johnstone Managed | 156.8 | 165.0 | — | - |
| Perpetual Managed | 220.4 | 232.0 | +0.4 | - |
| Schroder Managed | 137.7 | 144.9 | +0.3 | - |
| Pension Managed Funds | | | | |
| Skandia Cautious | 180.6 | 189.0 | +0.3 | - |
| Skandia Balanced | 591.9 | 623.0 | +0.4 | - |
| Skandia Ethical Selection | 130.5 | 137.3 | +0.1 | - |

**TSB Life Ltd - Contd.**

**Target Life Assurance Co Ltd**

**Teachers' Assurance Company Ltd**

**Templeton Life Assurance Limited**

**Tunbridge Wells Equitable**

**Sun Alliance Group**

**Sun Life Unit Assurance Ltd**

**Scottish Amicable**

**Scottish Equitable Life Assce. Soc.**

**Scottish Life Investments**

**Scottish Mutual Assurance plc**

**Scottish Provident Group**

**Standard Life Assurance Company**

**Woolwich Life Assurance Co Ltd**

**Zurich Life Assurance Co Ltd**

**Eurolife Assurance Group**

**Finance International Ltd**

**Hansard International Ltd**

**Isle of Man Assurance Ltd**

**Royal Life Intl Ltd**

**Royal Skandia Life Assurance Ltd**

**Target International Group**

**Marsh Financial Management PLC**

**Charles Stanley & Co Ltd**

**J. O. Ward Financial Services Ltd**

## OFFSHORE INSURANCES

**AXA Equity & Law Intl Life Assce Co**

**Allied Dunbar International Assurance Ltd**

**CMI Insurance Co Ltd**

**Eagle Star Intl Life**

**Equitable Life (International)**

**Knight Williams & Company Ltd**

## MANAGEMENT SERVICES

**Capital Trust Financial Management**

**Chase de Vere PLC**

**ECU Tentatives PLC**

## OFFSHORE AND OVERSEAS

## BERMUDA (SIB RECOGNISED)

**Fidelity Money Funds**

**Newport Management Ltd**

**Orion Fund Limited**

## CANADA (SIB RECOGNISED)

**GBC Asset Management**

## GUERNSEY (SIB RECOGNISED)

**AIB Grofund Inv Managers (Guernsey) Ltd**

**Adams & Neville Fd Mangt (Guernsey) Ltd**

**Baring Intl Fd Managers (Guernsey) Ltd**

**Butterfield Fund Mngrs (Guernsey) Ltd**

**Equitable International Fund Managers Ltd**

**Sun Alliance International Life**

**M & G (Guernsey) Ltd**

**Rothschild Asset Management (CI) Ltd**

**Royal Bank of Canada Offshore Fd Mgrs Ltd**

**Schroder Investment Mngmt (Guernsey) Ltd**

## GUERNSEY (REGULATED)(**)

**Henderson Admin. (Guernsey)**

**Lloyds Bank Fund Management (Guernsey) Ltd**

**Merrill Lynch Guernsey**

**Guinness Flight Fund Managers (Guernsey) Ltd**

**Providence Capitol International**

**Old Mutual International Fd Mgrs Ltd**

**Rothschild Asset Mgmt (CI) Ltd**

**Schroder Investment Mngmt (Guernsey) Ltd**

**U.S. Advisors (Guernsey) Limited**

**Wells Fargo Nikko Inv Adv Guy Ltd**

## IRELAND (SIB RECOGNISED)

**BT Fund Managers (Ireland) Ltd**

**Kleinwort Benson Intl Fd Mngrs Ltd**

**Lloyds Intl Money Market Fund Ltd**

**Federated International Funds Plc**

**Yellow Sea Investment Company PLC**

**GT Asset Management (Ireland) Ltd**

**Morgan Grenfell Investment Funds Ltd (u)**

**Prolific International Fund Plc**

**Scottish Value Management (Ireland) Ltd (u)**

**Singer & Friedlander Inv Funds Ltd (u)**

**Swiss Life Investment Fund - Proteus (u)**

## IRELAND (REGULATED)(**)

**BT Fund Managers (Ireland) Ltd (u)**

**Bank of Ireland Unit Managers Ltd**

**Baring International Fd Mngrs (Ireland) Ltd**

**Baring Mutual Fund Mngmt (Ireland) Ltd**

**Gartmore Fund Mngrs Intl Ltd**

**Chemical Fund Administrators Ltd**

**Citizens Investment Trust Mngt Company**

**Gateway Ireland Limited**

**Dresdner Intl Mgmt Services Ltd**

**Kleinwort Benson Capital Mngt (Ireland) Ltd**

**Prudential Fund Managers Ltd**

## ISLE OF MAN (SIB RECOGNISED)

**AXA Equity & Law Intl Fund Mngrs**

**Allied Dunbar Intl Fund Mngrs (1000)F**

**Asset Global Funds Ltd (1200)**

**Citi Fund Managers (IoM) Ltd**

**John Govett Management (IoM) Ltd**

**Leopold Joseph Fund Mngrs (IoM) Ltd**

**Mercury Fund Managers IoM Ltd**

**Sun Life Management (IoM) Ltd**

**Unicorn Scandinavian Fund Ltd**

## ISLE OF MAN (REGULATED)(**)

**ATC Fund Management Ltd**

**AXA Equity & Law Intl Fund Mgrs**

**Appleton Financial Advisers Ltd**

**City Financial Admin (IoM) Ltd**

**Duncan Lawrie Inv. Mgt. Ltd**

**John Govett Management (IoM) Ltd**

**IBI Managers (IoM) Ltd**

**R & H Fund Managers Ltd**

## JERSEY (SIB RECOGNISED)

**AIB Fund Managers (CI) Ltd**

**Barclays International Funds**

**Capital House Fund Mgrs (CI) Ltd (1900)F**

**Coutts & Co (Jersey) Fund Managers Ltd**

**Gartmore Fund Mngrs Intl Ltd**

**John Govett (Channel Islands) Ltd (1000)F**

**Hill Samuel Fund Mgrs (Jsy) Ltd (1000)F**

**Lloyds Bank (CI) U/T Mgrs**

**Midland Bank Fund Managers (Jersey) Ltd**

**Prudential Fund Managers (Jersey) Ltd**

**Royal Bank of Canada (Jsy) Fd Mgr Ltd (1400)F**

**Standard Bank Fund Mgrs (Jersey) Ltd**

**TSB Trust Funds (CI)**

## JERSEY (REGULATED)(**)

**Barclays Intl Funds**

**Cater Allen Investment Management Ltd**

**Citibank (CI) Ltd "Citifunds"**

هكذا من الأصل

# FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

| | Bid Price | Offer Price | + or - | Yield Gross |
|---|---|---|---|---|
| **Citibank - Contd.** | | | | |
| Bond Funds | | | | |
| NTB (S) Dec 20 | $88886.0800 | | — | - |
| Special Assets (B) Dec 1 | FFr11881.3190 | | — | - |
| **Citibank N.A.** | | | | |
| Libra 2000 Oct 31 | $734.37 | | — | - |
| Libra 2000 Inc Oct 31 | $134.37 | | — | - |
| **Coutts & Co (Jersey) Fund Managers Ltd** | | | | |
| **EBC Fund Managers (Jersey) Ltd** | | | | |
| Income | $14.49 | 14.945 | — | 1.26 |
| Capital | $22.68 | 23.535 | — | - |
| **Fleming Group** | | | | |
| Cash & Stock Inv Corp NAV | $9.64 | | — | - |
| Deutschland Inv Co NAV | DM17.22 | | — | - |
| **Foreign & Colonial Mngmt (Jersey) Ltd** | | | | |
| US$ Cash | $11.151 | | +0.001 | - |
| Sterling Cash | £13.252 | | +0.004 | - |
| US$ Bonds | $17.048 | | +0.008 | - |
| Multicurrency Bonds | $22.576 | | +0.100 | - |
| Sterling Bonds | £17.721 | | -0.016 | - |
| D Mark Bonds | DM12.949 | | +0.012 | - |
| European Bonds | Ecu14.388 | | +0.036 | - |
| UK Equities | £14.178 | | +0.152 | - |
| US Equities | $18.860 | | +0.040 | - |
| Japanese Equities | Y575.5 | | -0.1 | - |
| Cont Eure Equities | DM21.455 | | +0.142 | - |
| UK Negative Equities | £18.364 | | -0.094 | - |
| US Negative Eq | $- | | | - |
| Japanese Negative Eq | Y834.3 | | -0.1 | - |
| UK Geared Equities | £11.089 | | +0.205 | - |
| US Geared Equities | $11.059 | | +0.066 | - |
| Japanese Geared Eqs | Y784.2 | | +0.1 | - |
| Gold | $11.342 | | -0.017 | - |
| Protected Capital Plus A | £11.327 | | +0.108 | - |
| Protected Capital Plus B | £11.165 | | +0.279 | - |
| **Greece Fund Ltd** | | | | |
| NAV Dec 16 | $20.38 | | — | - |
| **John Govett Management (Jersey) Ltd** | | | | |
| Paragon Fd NAV Oct 31 | $10.57 | | — | - |
| Paragon Redemption | $10.18 | | — | - |
| Govett India Fund | $10.87 | 11.27 | — | - |
| **INVESCO International Limited** | | | | |

| | Init Chrge | Canc Price | Bid Price | Offer Price | + or - | Yield Gr's |
|---|---|---|---|---|---|---|
| **CMI Asset Management - Contd.** | | | | | | |
| UK Equity | £- | | 7.336 | | -0.008 | 1.50 |
| US Equity | $- | | 14.070 | | +0.046 | 1.03 |
| Japan Index Tracking | Y- | | 777 | | | - |
| UK Eqty Index Tracking | £- | | 7.280 | | +0.036 | 2.05 |
| US Eqty Index Tracking | $- | | 13.030 | | +0.057 | 1.05 |
| German Bond | DM- | | 23.833 | | +0.040 | 5.53 |
| Japanese Bond | Y- | | 1896 | | -18 | 3.50 |
| Swiss Bond | SFr- | | 22.772 | | +0.049 | 2.98 |
| UK Bond | £- | | 7.102 | | +0.007 | 6.30 |
| US Bond | $- | | 11.660 | | +0.002 | 5.70 |
| Stlg Currency Reserve | £- | | 5.065 | | +0.007 | 5.29 |
| US Dlr Currency Reserve | $- | | 10.080 | | +0.007 | 2.89 |
| **Commercial Union Luxembourg SA (u)** | | | | | | |
| 41 Ave de la Gare L-1611 | | | 010 352 402820281 | | | |
| **Cresvale Group (u)** | | | | | | |
| 11 Rue Aldringen, L-1118 Luxembourg | | | 071-357 6400 | | | |
| **DB Investment Management SA** | | | | | | |
| 2 Boulevard Konrad Adenauer, Lux | | | 010 352 421011 | | | |
| **Den norske Bank** | | | | | | |
| 11 Rue Aldringen 2960 - Lux | | | 010 352 468191 | | | |
| DnB 1 Nordic Bond | NKr- | | 13655.54 | | -1.79 | - |
| DnB 1 Nordic Equities | NKr- | | 11493.17 | | | - |
| **Disa Income Fund** | | | | | | |

## LUXEMBOURG (SIB RECOGNISED)

## LUXEMBOURG (REGULATED)(**)

## SWITZERLAND (SIB RECOGNISED)

## OTHER OFFSHORE FUNDS

| | Bid Price | Offer Price | + or - | Yield Gross |
|---|---|---|---|---|
| NAV Nov 30 | $1049.84 | | — | - |
| **Wardley Investment Services Ltd** | | | | |
| Japanese Warrants | $2.01 | 2.14 | — | - |
| Asian Warrants | $18.14 | 19.21 | — | - |
| European Warrants | $10.57 | 11.20 | — | - |
| Managed | HK$74.45 | 15.20 | — | - |
| Pacific Capital Tst | $29.09 | | — | - |
| China Fund | $10.26 | | — | - |
| **Wellington Fd Mngrs (Bermuda) Ltd** | | | | |
| Intnl Growth Fd | $16.64 | 17.47 | +0.62 | - |
| **Wells Fargo U.S. IT Fund** | | | | |
| Wells Fargo A Shs (z) | $13.45 | | +0.09 | - |
| Wells Fargo B Shs (z) | $14.05 | | +0.19 | - |
| **Worldwide Limited** | | | | |
| NAV Nov 30 | $83.70 | | — | - |
| **Xiphias International Investment Fd Ltd** | | | | |
| Xiphias Int US$ Acc | $1.4239 | | — | - |
| Xiphias Int ECU Acc | Ecu1.4882 | | — | - |
| Xiphias Int ECU Dis | Ecu1.3055 | | — | - |
| **Yamaichi Capital Mngmt (Guernsey) Ltd** | | | | |
| Thai Inv Fund | $20.51 | | +0.04 | - |

### MANAGED FUNDS NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % allow for all buying expenses. Prices of certain older insurance linked plans subject to capital gains tax on sales. a Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. u Designated as a UCITS (Undertakings for Collective Investment in Transferable Securities). x Offered price includes all expenses except agent's commission. z Previous day's price. §§ Guernsey gross. δ Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡ Only available to charitable bodies. ✧ Yield column shows annualised rates of NAV increase, ad on dividend.

(**) Funds not SIB recognised. The regulatory authorities for these funds are: Guernsey Financial Services Commission; Ireland Central Bank of Ireland; Isle of Man Financial Supervision Commission; Jersey Financial Services Department; Luxembourg Institut Monétaire Luxembourgeois.

# WORLD STOCK MARKETS

## EUROPE

AUSTRIA (Dec 23 / Sch)

BELGIUM/LUXEMBOURG (Dec 23 / Frs.)

DENMARK (Dec 23 / Kr)

FINLAND (Dec 23 / Mka)

FRANCE (Dec 23 / Frs.)

GERMANY (Dec 23 / Dm.)

ITALY (Dec 23 / Lira)

NETHERLANDS (Dec 23 / Fls.)

NORWAY (Dec 23 / Kroner)

SPAIN (Dec 23 / Pts.)

SWEDEN (Dec 23 / Kronor)

SWITZERLAND (Dec 23 / Frs.)

## PACIFIC

JAPAN (Dec 22 / Yen)

HONG KONG (Dec 23 / H.K.$)

MALAYSIA (Dec 23 / MYR)

SINGAPORE (Dec 23 / S$)

AUSTRALIA (Dec 23 / Aust$)

## NORTH AMERICA

CANADA

TORONTO (Dec 23 / Can $) 4 pm close

MONTREAL (Dec 23 / Can $) 4 pm close

## AFRICA

SOUTH AFRICA (Dec 23 / Rand)

NOTES - Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. Highs/Lows are based on data from Jan 1 1993. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

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■ TOKYO - MOST ACTIVE STOCKS: Wednesday, December 22, 1993

| | Stocks Traded | Closing Prices | Change on day |
|---|---|---|---|
| Oki Elect | 10.2m | 510 | +38 |
| Nippon F&M Ins | 10.1m | 717 | -13 |
| Hanwa | 7.3m | 630 | -20 |
| Fujitsu | 4.1m | 834 | +9 |
| Kawasaki Hvy | 3.9m | 350 | +20 |
| Ito Yokado | 3.2m | 5,410 | |
| NEC | 2.9m | 857 | -3 |
| Kobe Steel | 2.9m | 258 | +5 |
| NKK | 2.8m | 236 | -1 |
| Nippon Steel | 2.6m | 300 | +4 |

## INDICES

| | Dec 23 | Dec 22 | Dec 21 | 1993 High | | 1993 Low | |
|---|---|---|---|---|---|---|---|
| **Argentina** | | | | | | | |
| General (29/12/77) | (u) | 19885.8 | 19225.6 | 19885.80 | 22/12 | 12167.86 | 8/3 |
| **Australia** | | | | | | | |
| All Ordinaries(1/1/80) | 2058.8 | 2053.2 | 2067.0 | 2132.40 | 1/11 | 1495.60 | 13/1 |
| All Mining(1/1/80) | 991.7 | 981.1 | 982.3 | 991.70 | 23/12 | 594.70 | 13/1 |
| **Austria** | | | | | | | |
| Credit Aktien(30/12/84) | 422.55 | 415.02 | 415.04 | 424.59 | 2/11 | 300.36 | 14/1 |
| Traded Index(2/1/91) | 1100.95 | 1077.10† | 1075.40 | 1108.98 | 23/12 | 712.08 | 15/1 |
| **Belgium** | | | | | | | |
| BEL20 (1/1/91) | 1455.11 | 1442.40 | 1433.58 | 1455.31 | 23/12 | 1125.46 | 4/1 |
| **Brazil** | | | | | | | |
| Bovespa (29/12/83) | (u) | 34337.0 | 33980.0 | 37300.00 | 29/8 | 714.72 | 4/1 |
| **Canada** | | | | | | | |
| Metals Minls♦(1975) | (u) | 3421.05 | 3415.28 | 3551.97 | 13/12 | 2743.31 | 21/1 |
| Composite♦ (1975) | (u) | 4226.90 | 4214.73 | 4307.70 | 8/12 | 3275.80 | 21/1 |
| Portfolio§§ (4/1/83) | (u) | 2022.05 | 2013.92 | 2060.00 | 13/12 | 1720.97 | 21/1 |
| **Chile** | | | | | | | |
| IPGA Gen (31/12/80) | (u) | 3747.7 | 3661.1 | 3747.70 | 22/12 | 2612.50 | 10/5 |
| **Denmark** | | | | | | | |
| CopenhagenSE(3/1/83) | 354.05 | 351.18 | 347.75 | 355.14 | 4/11 | 261.90 | 4/1 |
| **Finland** | | | | | | | |
| HEX General(28/12/90) | 1570.0 | 1557.6 | 1548.9 | 1607.70 | 3/11 | 843.18 | 22/1 |
| **France** | | | | | | | |
| SBF 250 (31/12/90) | 1482.21 | 1471.77 | 1467.18 | 1482.21 | 23/12 | 1114.19 | 28/1 |
| CAC 40(31/12/87) | 2243.02 | 2225.79 | 2215.86 | 2243.02 | 23/12 | 1772.21 | 29/1 |
| **Germany** | | | | | | | |
| FAZ Aktien(31/12/58) | 844.38 | 835.00 | 832.04 | 844.38 | 23/12 | 598.92 | 14/1 |
| Commerzbank(1/12/53) | 2418.9 | 2391.3 | 2383.1 | 2418.90 | 23/12 | 1604.30 | 14/1 |
| DAX (30/12/87)‡ | 2222.84 | 2197.51 | 2182.93 | 2222.84 | 23/12 | 1516.50 | 13/1 |
| **Greece** | | | | | | | |
| Athens SE(31/12/80) | 908.70 | 903.61 | 896.83 | 944.44 | 13/8 | 667.72 | 5/1 |
| **Hong Kong** | | | | | | | |
| Hang Seng(31/7/64) | 10881.20 | 10707.96 | 10524.28 | 10881.20 | 23/12 | 5437.80 | 4/1 |
| **India** | | | | | | | |
| BSE Sens.(1979) | 3454.8 | 3401.9 | 3454.8 | 3454.80 | 13/12 | 2100.67 | 23/4 |
| **Indonesia** | | | | | | | |
| Jakarta Comp.(10/8/82) | 557.34 | 550.07 | 552.20 | 557.34 | 23/12 | 273.31 | 5/1 |
| **Ireland** | | | | | | | |
| ISEQ Overall(4/1/88) | 1847.22 | 1844.70 | 1854.05 | 1867.11 | 20/12 | 1191.19 | 11/1 |
| **Italy** | | | | | | | |
| Banca Comm Ital (1972) | 614.45 | 618.46 | 610.43 | 632.66 | 30/8 | 446.33 | 6/1 |
| MIB General (4/1/93) | 1344.0 | 1356.0 | 1338.0 | 1380.00 | 30/8 | 992.00 | 11/1 |
| **Japan** | | | | | | | |
| Nikkei 225 (16/5/49) | (c) | 17445.74 | 17315.43 | 21148.11 | 13/9 | 16078.71 | 29/11 |
| Nikkei 300 (1/10/82) | (c) | 269.29 | 268.46 | 306.84 | 10/11 | 249.64 | 29/11 |
| Topix (4/1/68) | (c) | 1450.37 | 1445.73 | 1698.67 | 3/9 | 1250.06 | 25/1 |
| 2nd Section (4/1/68) | (c) | 1883.93 | 1877.51 | 2384.97 | 7/6 | 1661.72 | 26/1 |
| **Malaysia** | | | | | | | |
| KLSE Comp.(4/4/86) | 1152.24 | 1121.38 | 1096.61 | 1152.24 | 23/12 | 614.28 | 13/1 |
| **Mexico** | | | | | | | |
| IPC (Nov 1978) | (u) | 2505.61 | 2479.73 | 2505.61 | 22/12 | 1504.15 | 25/2 |
| **Netherlands** | | | | | | | |
| CBS TtlRtnGen(End 83) | 429.8 | 428.5 | 424.3 | 429.80 | 23/12 | 295.70 | 4/1 |
| CBS All Shr (End 83) | 278.6 | 276.4 | 275.0 | 278.60 | 23/12 | 198.60 | 13/1 |
| **New Zealand** | | | | | | | |
| Cap. 40 (1/7/86) | 2088.72 | 2071.78 | 2046.97 | 2203.50 | 2/11 | 1485.37 | 21/1 |
| **Norway** | | | | | | | |
| Oslo SE(Ind)(2/1/83) | 1032.06 | 1018.34 | 1005.20 | 1088.73 | 18/11 | 669.93 | 27/1 |
| **Philippines** | | | | | | | |
| Manila Comp (2/1/85) | 2987.46 | 2897.83 | 2836.28 | 2987.46 | 23/12 | 1276.60 | 4/1 |
| **Portugal** | | | | | | | |
| BTA (1977) | 2585.2 | 2588.6 | 2592.8 | 2660.60 | 9/9 | 1608.20 | 14/1 |
| **Singapore** | | | | | | | |
| SES All-S'pore(2/4/75) | 605.40 | 600.96 | 600.04 | 605.40 | 23/12 | 394.19 | 13/1 |
| **South Africa** | | | | | | | |
| JSE Gold (28/9/78) | 2094.0♥ | 2072.0 | 2106.0 | 2153.00 | 14/12 | 775.00 | 5/1 |
| JSE Ind. (28/9/78) | 5261.0♥ | 5198.0 | 5171.0 | 5261.00 | 23/12 | 4333.00 | 19/4 |
| **South Korea** | | | | | | | |
| KoreaCmpEx(4/1/80)** | 858.37 | 868.60 | 865.79 | 874.10 | 17/12 | 605.93 | 6/3 |
| **Spain** | | | | | | | |
| Madrid SE (30/12/85) | 322.06 | 317.84 | 316.58 | 322.90 | 23/12 | 215.80 | 4/1 |
| **Sweden** | | | | | | | |
| AffarsvarldsGen (1/2/37) | 1386.40 | 1374.60† | 1372.8 | 1435.10 | 4/11 | 879.10 | 28/1 |
| **Switzerland** | | | | | | | |
| Swiss Bk Ind (31/12/58) | 1300.39 | 1288.82 | 1278.74 | 1300.39 | 23/12 | 904.80 | 11/1 |
| SBC General (1/4/87) | 1011.51 | 1003.27† | 995.91 | 1011.51 | 23/12 | 678.70 | 11/1 |
| **Taiwan** | | | | | | | |
| WeightedPr.(30/6/66)** | 5257.96 | 5474.75 | 5245.87 | 5474.75 | 22/12 | 3098.43 | 9/1 |
| **Thailand** | | | | | | | |
| Bangkok SET (30/4/75) | 1543.52 | 1523.75 | 1507.23 | 1543.52 | 23/12 | 818.84 | 1/6 |
| **Turkey** | | | | | | | |
| Istanbul Cmp.(Jan 1986) | 19593.6 | 19778.1 | 19410.9 | 19778.10 | 22/12 | 3985.53 | 1/1 |
| **WORLD** | | | | | | | |
| MS Capital Int (1/1/70)$ | 600.6* | 596.6 | 593.5 | 607.10 | 18/10 | 498.80 | 13/1 |
| **CROSS-BORDER** | | | | | | | |
| Eurotrack 100(26/10/90) | 1459.50 | 1451.64 | 1442.03 | 1459.50 | 23/12 | 1083.82 | 13/1 |
| Euro Top-100 (26/6/90) | 1228.02 | 1217.00 | 1208.27 | 1228.02 | 23/12 | 882.73 | 13/1 |
| JCapelOrgns (31/12/88) | (u) | 351.61 | 345.96 | 391.81 | 22/12 | 186.92 | 4/1 |
| Barings Emerg.(7/1/92) | 159.83 | 158.31 | 156.34 | 159.83 | 23/12 | 98.81 | 4/2 |

** Sat Dec 18: Taiwan Weighted Price 5302.14; Korea Comp Ex 864.00. Base values of all indices are 100 except: Australia All Ordinary and Mining - 500; Austria Traded, BEL20, HEX Gen., MIB Gen., SBF250, CAC40, Euro Top-100, ISEQ Overall; Toronto Comp./Metals & Minerals and DAX - all 1,000; JSE Gold - 255.7, JSE 25 Industrials - 264.3; NYSE All Common - 50 and Standard and Poor's - 10. §§ Montreal. ♦ Toronto. (c) Closed. (u) Unavailable. ‡ IBIS/DAX after-hours index: Dec 23 - 2227.63 +18.48.

■ CAC-40 STOCK INDEX FUTURES (MATIF)

| | Open | Sett Price | Change | High | Low | Est. vol. | Open int. |
|---|---|---|---|---|---|---|---|
| Dec | 2246.0 | 2250.0 | +15.0 | 2257.0 | 2242.0 | 18,661 | 28,149 |
| Jan | 2257.5 | 2261.5 | +15.0 | 2268.0 | 2254.5 | 4,523 | 21,513 |
| Feb | 2269.5 | 2273.5 | +15.0 | 2269.5 | 2269.5 | 1 | 150 |
| Mar | 2283.0 | 2284.5 | +15.0 | 2291.0 | 2277.5 | 2,124 | 27,026 |

Open interest figures for previous day.

## US INDICES

| Dow Jones | Dec 22 | Dec 21 | Dec 20 | 1993 High | 1993 Low | Since compilation High | Since compilation Low |
|---|---|---|---|---|---|---|---|
| Industrials | 3762.19 | 3745.15 | 3755.21 | 3764.43 (13/12) | 3241.95 (20/1) | 3764.43 (13/12/93) | 41.22 (2/7/32) |
| Home Bonds | 111.08 | 111.16 | 111.16 | 111.29 (10/12) | 103.49 (11/1) | 111.29 (10/12/93) | 54.99 (1/10/81) |
| Transport | 1765.53 | 1750.95 | 1748.80 | 1771.95 (13/12) | 1453.84 (4/1) | 1771.95 (13/12/93) | 12.32 (8/7/32) |
| Utilities | 228.77 | 228.12 | 227.85 | 256.46 (31/8) | 217.14 (8/1) | 256.46 (31/8/93) | 10.50 (8/4/32) |

DJ Ind. Day's high 3780.84 (3774.77) Low 3725.88 (3719.72) (Theoretical♦)
Day's high 3762.47 (3759.04) Low 3745.15 (3736.04) (Actual♦)

| Standard and Poors | Dec 22 | Dec 21 | Dec 20 | 1993 High | 1993 Low | Since compilation High | Since compilation Low |
|---|---|---|---|---|---|---|---|
| Composite ‡ | 467.32 | 465.30 | 465.85 | 469.50 (15/10) | 429.05 (8/1) | 469.50 (15/10/93) | 4.40 (1/6/32) |
| Industrials♥ | 539.32 | 536.97 | 537.31 | 540.25 (16/11) | 496.48 (26/4) | 540.25 (16/11/93) | 3.62 (21/6/32) |
| Financial | 44.57 | 44.45 | 44.76 | 48.40 (28/9) | 39.89 (8/1) | 48.40 (28/9/93) | 8.64 (1/10/74) |
| NYSE Comp. | 258.15 | 257.14 | 257.59 | 260.48 (15/10) | 236.21 (8/1) | 260.48 (15/10/93) | 4.46 (25/4/42) |
| Amex Mkt Val | 462.83 | 460.77 | 464.08 | 484.28 (2/11) | 395.84 (8/1) | 484.28 (2/11/93) | 29.31 (9/12/72) |
| NASDAQ Cmp | 756.07 | 755.63 | 760.15 | 787.42 (15/10) | 645.87 (26/4) | 787.42 (15/10/93) | 54.87 (31/10/72) |

■ RATIOS

| | Dec 17 | Dec 10 | Dec 3 | Year ago |
|---|---|---|---|---|
| Dow Jones Ind. Div. Yield | 2.67 | 2.67 | 2.70 | 3.12 |
| | Dec 22 | Dec 15 | Dec 8 | Year ago |
| S & P Ind. Div. yield | 2.40 | 2.45 | 2.39 | 2.58 |
| S & P Ind. P/E ratio | 27.43 | 27.16 | 27.41 | 26.78 |

■ STANDARD AND POORS 500 INDEX FUTURES $500 times index

| | Open | Latest | Change | High | Low | Est. vol. | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 468.70 | 468.65 | -0.05 | 468.90 | 468.50 | 26,092 | 176,919 |
| Jun | - | - | - | - | - | - | - |
| Sep | - | - | - | - | - | - | - |

Open interest figures are for previous day.

■ NEW YORK ACTIVE STOCKS

| Wednesday | Stocks traded | Close price | Change on day |
|---|---|---|---|
| Cable & Wire | 6,417,500 | 23⅛ | +⅛ |
| YPF Soc | 4,497,700 | 25 | -⅛ |
| Borden | 3,929,700 | 17 | -2⅛ |
| Merry Go Rd | 3,428,900 | 21 | -2 |
| Telefonos | 3,054,100 | 64⅛ | +⅝ |
| CML Group | 3,016,100 | 21 | -2 |
| Merck | 2,947,200 | 34⅛ | +⅛ |
| Syntex | 2,623,100 | 15 | -⅛ |
| Wal-Mart | 2,365,000 | 26⅛ | -⅛ |
| WMX Tech | 2,349,500 | 27 | +⅛ |

■ TRADING ACTIVITY

● Volume (million)

| | Dec 22 | Dec 21 | Dec 20 |
|---|---|---|---|
| New York SE | 260.112 | 266.583 | 249.933 |
| Amex | 17.849 | 18.188 | 17.696 |
| NASDAQ | 301.884 | 281.204 | 266.184 |
| **NYSE** | | | |
| Issues Traded | 2,723 | 2,718 | 2,726 |
| Rises | 1,150 | 892 | 980 |
| Falls | 950 | 1,205 | 1,138 |
| Unchanged | 623 | 621 | 608 |
| New Highs | 69 | 75 | 92 |
| New Lows | 39 | 51 | 40 |

† Correction. * Calculated at 15.00 GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♦ The DJ Ind. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ♥ Subject to official recalculation.





هكذا من الأصل

# WORLD STOCK MARKETS

AMERICA

## Favourable data help Dow to record peak

**Wall Street**

US equity investors were in festive mood yesterday, edging into record territory after a fresh batch of strong economic data, *writes Frank McGurty in New York.*

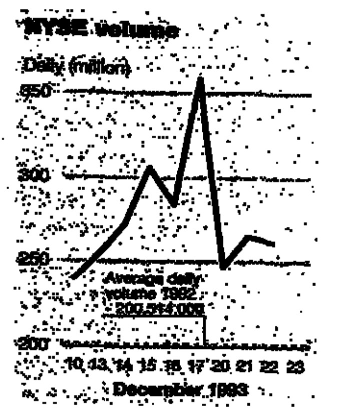
By 1 pm, the Dow Jones Industrial Average was 5.31 ahead at 3,767.50, just above the all-time closing high of 3,764.43 set 10 days earlier. The more broadly based Standard & Poor's 500 was up 1.02 at 468.34. In the secondary markets, the American SE composite added 1.67 to 464.50, and the Nasdaq composite 1.78 to 757.85.

In its final session ahead of the three-day Christmas weekend, the market was facing a batch of important economic data. The numbers were favourable, though mostly in line with expectations.

Reinforcing the impression that the economy was in a period of sustained expansion, November factory orders for durable goods were up 2 per cent from October.

On the consumer side, the University of Michigan's index of sentiment jumped to 88.2 in December, from 81.2 last month. The growth of confidence was underlined by November's figures on personal income, up 0.6 per cent from October after seasonal adjustments, and personal consumption, up 0.4 per cent.

With price pressures remaining tame, the bond market was able to count its blessings and weather the bullish economic news with barely a ripple.




Such resilience encouraged interest in blue chips by traders seeking to square up their year-end positions.

General Electric climbed $1⅛ to $106⅛ on reports that CSX, the largest US railway operator, was close to placing an order for 300 GE locomotives.

Walt Disney was $⅝ ahead at $44⅞ after Morgan Stanley upgraded the stock.

Among pharmaceutical stocks, Pfizer climbed $1⅛ to $67⅞, Schering Plough $1⅛ to $66⅞ and Warner Lambert $⅜ to $66⅞.

Elsewhere in healthcare, Baxter International shed $⅜ to $23⅛. Its rival in the hospital supply business, Owens & Minor, gained $1⅛ to $21⅞ on the news that it would double its size with the acquisition of Stuart Medical.

On the Nasdaq, Apple Computer was marked down $⅝ to $27⅛ after Merrill Lynch lowered its rating on the stock. In other technology issues, Lotus Development added $⅝ to $56 and Intel $⅜ to $62⅛.

**Canada**

Toronto was higher at midday on the federal government's commitment to inflation reduction targets. The TSE 300 composite index was 10.60 higher at 4,237.45 by noon in volume of 27.76m shares.

Among the best performers, the financial services sector climbed 34.01 to 3,248.50.

BCE rose C$¼ to C$45⅝ following earlier news its Bell Canada unit will save C$466m in 1994 through a reduced working week.

EUROPE

## Five of six top bourses score new highs

Five of the continent's six top bourses scored new highs yesterday as Milan, which peaked back in August, eased on profit-taking, *writes Our Markets Staff.*

**FRANKFURT** professionals went home with another 1 per cent gain on their books, the DAX index closing 25.33 higher at a new high of 2,222.84.

Mr Nigel Longley of Commerzbank said that it was German institutional investors who did the business, and that most of of that was done in the first half hour. However, the Ibis indicated DAX held its gains in the post-bourse, where it rose to 2,227.63.

Turnover rose from DM9.2bn to DM9.5bn. West German December inflation figures showed a steady year-on-year rate and a slowing monthly figure. Banks were strong, particularly Deutsche Bank which *rose DM13 to DM838.50.*

Siemens had another good day, up DM16 to DM786.50 for a two-day gain of DM30. Siemens has been asked to rebid for a DM4bn, Korean high-speed rail contract, said Mr Longley, which was won by GEC Alsthom, but which now seemed to be open to negotiation once again.

**PARIS** was lifted past its old high by a strong French bond market and an inflow from mutual funds, the CAC-40 approaching today's end of the December account with a rise of 17.23 to 2,243.02 in turnover of FFr4.8bn.

Club Mediterranée regained some of its recent losses, rising FFr24 to FFr345 as short positions were bought back following the news of its FFr290m net attributable loss for 1992/93. Mr Michael Woodcock at Nikko Europe said that there may also have been some bargain hunting, as the stock was viewed as slightly oversold.

Among the cyclicals, rising on the dollar and the prospect of European recovery, Alcatel Alsthom climbed by FFr16 to FFr841 and Schneider by FFr20.20 to FFr459.20.

Credit Lyonnais certificates, up FFr21 at FFr729, offered a belated reaction to the appointment of a new chairman, and the prospect that 1994 would be *a recovery year.*

**AMSTERDAM** peaked, too, with the CBS General Shares Tendency index adding 1.20 to 147.90, supported by hopes of a continuing lower trend in interest rates.

Aegon, however, shed Fl 4.70 to Fl 106.20 in a late burst of British selling which more than wiped out the Fl 4.40 spurt made just before Wednesday's close.

Stocks to hit new year-highs included Unilever, which closed up Fl 2.30 at its session best of Fl 225.40 after its recent acquisitions, and Elsevier, up Fl 3.90 at Fl 181.90.

ABN Amro shed 20 cents to Fl 71.10 after a low of Fl 70.90 in heavier than normal volume after saying that it would buy a French subsidiary of CS Holdings.

The fall was attributed to fears that the bank might be about to announce a much more ambitious purchase, pos*sibly involving a rights issue.*

Publishers continued in favour. Wolters Kluwer ended at its 12-month high of Fl 123.70, up Fl 1.50 while VNU added Fl 3.40 to Fl 166.50.

**ZURICH** was propelled to a fifth consecutive peak by continued high liquidity and further hopes of lower rates in the new year. The SMI index added 23.9 to 2,966.3.

Nestlé led the market higher with a SFr28 rise to SFr1,277. Zurich Insurance, which has lagged behind its sector recently, saw its bearers rise SFr24 to SFr1,499. CS Holding, the best performing bank, rose SFr30 to SFr3,700.

Adia, the temporary employment group, rose SFr12 to SFr189 after the announcement that practically all of its shareholders had subscribed to the company's issue of new bearer shares.

Oerlikon-Bührle, the arms-to-fashion group, rose SFr2.50 to *SFr119.50 on as it confirmed an* earlier forecast of higher 1993 net profits.

**MILAN** turned lower after the recent rally which has seen the market rise by 6.2 per cent since December 10. The Comit index shed 5.01 to 614.45 in subdued trading, with the Senate's approval of the budget already discounted by the market.

Among exceptions to the downward drift, Nuovo Pignone climbed L406 or 6.5 per cent to L6,673, on news that a group of US companies led by General Electric were taking a large stake.

By contrast, Fiat's Cogefar fell L162 or 5.6 percent to 2,747 after announcing a L620bn rights issue ahead of merging its activities with three other construction companies.

**MADRID** hit the level that most traders were looking for, *the general index closing 4.22* higher at a new high of 322.06 in turnover of Pta38bn.

Buying interest focused on electrical utilities. Iberdrola was up Pta26 at Pta1,020, and Sevillana and Endesa by 3 per cent and 2.5 per cent respectively.

**OSLO** added 1.7 per cent, taking its lead from the gains in the leading European markets.

The all-share index climbed 9.93 to 596.68 in turnover of NKr929m as shipping shares registered a broadly based advance.

**VIENNA** posted a new high as equities were helped up by a 10 basis point easing in the Gomex money market rate to 5.6 per cent, the ATX index *closing 23.85 higher at 1,100.95.* Traders also acknowledged that the market had some catching up to do on Germany.

**Written and edited by William Cochrane and Michael Morgan.**

**FT-SE Actuaries Share Indices** — THE EUROPEAN SERIES

| Dec 23 Hourly changes | Open | 10.30 | 11.00 | 12.00 | 13.00 | 14.00 | 15.00 | Close |
|---|---|---|---|---|---|---|---|---|
| FT-SE Eurotrack 100 | 1458.49 | 1458.34 | 1457.79 | 1458.60 | 1458.26 | 1458.29 | 1459.10 | 1459.50 |
| FT-SE Eurotrack 200 | 1527.79 | 1527.12 | 1528.44 | 1529.27 | 1530.09 | 1530.57 | 1530.28 | 1532.40 |

| | Dec. 21 | Dec. 20 | Dec. 17 | Dec. 16 | Dec. 15 |
|---|---|---|---|---|---|
| FT-SE Eurotrack 100 | 1461.64 | 1442.03 | 1437.37 | 1419.34 | 1407.56 |
| FT-SE Eurotrack 200 | 1516.71 | 1508.76 | 1510.32 | 1496.75 | 1483.42 |

Base value 1000 (26/10/90). Highday: 100 - 1459.96, 200 - 1532.61 Lowday: 100 - 1457.31 200 - 1526.83.

## Argentine equities meet violence with equanimity

**John Barham** on a lucrative Buenos Aires bourse

A week ago, rioting broke out in one of Argentina's northern provinces. In a matter of hours, rioters took control of the city of Santiago del Estero, burning and pillaging as they went. It was Argentina's worst day of violence since hyperinflation brought looting to a number of the country's big cities in July 1989.

Yet the next day, with the dramatic images still fresh in the minds of investors in Argentina, and around the world, share prices rallied with a respectable, 2 per cent gain.

There are a number of explanations. One may be the firm response of the country's president, Mr Carlos Menem, who flew back the same day from a state visit to the Vatican, ordered security forces to reimpose control and refused to allow the uprising to blow his economic reforms off course.

Another is that, as in other markets in Latin America, equities in Buenos Aires were also lifted by with a inflow of international funds.

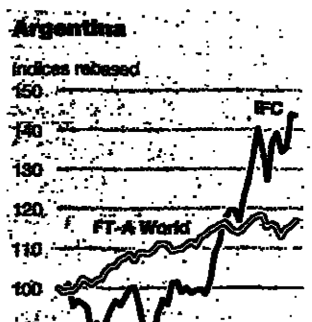
Argentina, too, is still widely viewed as one of the world's most exciting emerging countries. It has a rapidly developing equity market, which offers easy and increasingly representative exposure to a fast-growing economy. It also has currency stability, with the peso tied to the US dollar.

The bulls continue to be rewarded. This week the market has been climbing steadily after idling for most of the month. So far this year the Merval market index has risen by a quarter and the IFC Argentine index is up by 55 per cent, both in local currency and in dollar terms.

This seems a fair reward for dabbling in explosive Latin American risks. In London the FT-SE 100-share index has risen 17 per cent this year and in New York the Dow has seen a 14 per cent advance.

Inevitably, the Merval's advance masks far more interesting shifts in individual stocks. Mr Christopher Ecclestone, a Buenos Aires equity analyst, says Swiss-owned cement company Holderbank's equity stake and management contract in Corcemar, an Argentine cement-maker, has transformed this into the market's hottest company, with a 300 per cent price rise this year. Yet he is still estimating Corcemar's prospective p/e, to June 1994, at 14.

Banco Shaw, a small retail bank taken over by Spain's Banesto, has put in a 250 per cent share price increase. Banks are expected to make big profits from the embryonic mortgage lending business. Yet Shaw's prospective, calendar 1994 p/e is only 12. Even the top-ranking companies in the sector, Banco Frances and Banco Galicia, which have seen very strong advances all year, remain relatively cheap.




At the other extreme, Argentina's two highly profitable telephone companies, Telecom and Telefónica, are both considered overpriced after gains of 22 per cent this month.

The steelmaker, Acindar, hit by unexpected recent losses and a government investigation into trading and accounting irregularities, is also deemed expensive. Siderca, another steel company, and Celulosa a pulp company, are mired in losses.

The market is seeing an increasing number of initial public offerings. On Tuesday, Citicorp, the US bank, began floating off a minority stake in CEI, its Argentine investment vehicle, which holds stakes in 12 companies, mainly privatised utilities.

The government floated its remaining stakes in two privatised power stations in December. One of them, Central Costanera, saw its share price rise to a premium of almost 20 per cent over its offer price on the first day of trading.

In June, the government sold 45 per cent of YPF, the national oil company, raising $3.04bn. YPF, now the most active stock in Buenos Aires, initially showed a steep rise but it has now settled down to a trading range around $25, one-third above its flotation price.

Speculators who made a killing in YPF are giving way to program traders playing the arbitrage market between New York and Buenos Aires. By one estimate, about $80m in YPF arbitrage takes place every day.

The development of more adventurous derivative instruments is still being thwarted by a limited range of actively traded stocks, a poorly-designed market index and shortage of sophisticated players. And in spite of the market's steady growth, private companies are resisting the attractions of cheap equity funding.

They prefer to raise equally cheap debt in overseas markets whenever possible. As in most other Latin countries, Argentine companies remain famously averse to opening up to outsiders.

ASIA PACIFIC

## Taiwan falls 4% as margin loans are rationed

**Roundup**

Markets moved in sharply divergent directions, with Tokyo on holiday and Bombay still strikebound.

**TAIWAN** plunged 4 per cent on heavy profit-taking triggered by news that Fuh-Hwa Securities Finance was introducing a rationing system for margin loans. The weighted index ended 216.79 down at 5,257.96, after an intraday low of 5,248. Turnover remained heavy at T$78.87bn but fell from Wednesday's T$103.92bn.

Fuh-Hwa is the market's biggest provider of margin loans. Profit-taking from the market's 32 per cent gains since November 27 was relentless in spite of some bargain hunting at mid-morning.

China Steel, the most active issue of the day, retreated T$1.60 to T$25. Among the most recent targets of foreign buying, the banking stock ICBC finished only 50 cents lower at T$67.50.

**BANGKOK** rose 1.3 per cent in active trade, propelled by the strong gains of TelecomAsia and the debut of satellite dish seller Samart Corporation. The SET index added 19.77 at 1,543.52 in turnover of a robust Bt25.43bn.

TelecomAsia, the largest capitalisation issue in the market, hit its 10 per cent upward limit, surging Bt11 to Bt127, and was the most active stock in volume and turnover terms.

Samart soared to Bt452, or more than five times its initial public offer price of Bt80. The stock was the second most active. The combined turnover of TA and Samart represented 21.8 per cent of the market total.

**HONG KONG** saw selective buying which took the Hang Seng index 173.24, or 1.6 per cent, higher to a record 10,881.20, although profit-taking had pared a day's best of 10,957.59. Properties led the gains, with Sun Hung Kai Properties peaking at a record HK$66 before finishing HK$3.50 ahead at HK$65 and Henderson Land up HK$2.25 at HK$44.

San Miguel Brewery, a locally listed subsidiary of San Miguel, of the Philippines, surged HK$1.425 to HK$5.80, buoyed by a late wave of local demand after market rumours that the brewery might move its operations to China.

**NEW ZEALAND**'s rally continued, supported by lower interest rates. Most shares gained ground on good volume, the NZSE-40 capital index climbing 16.94 to 2,088.72.

Strong foreign demand took Telecom 3 cents higher to NZ$3.98 and Carter Holt Harvey up a cent to NZ$3.51 in turnover of 5.6m shares.

**MANILA** closed at a record high for the fourth straight day as money continued to flood into the market.

The composite index moved up 99.63 to 2,997.46, taking this week's cumulative rise to 12.6 per cent.

**JAKARTA** advanced in moderate late trading which left the official index 7.27 higher at a record 557.34.

**KUALA LUMPUR** extended its ggod run, led by institutional buying of blue chips, with the composite index ending 30.86 up at a new 1993 peak of 1,152.24.

**SINGAPORE** was in bullish mood, the Straits Times Industrial index rising 24.66 to a high of 2,298.61 in heavy volume of 515.9m shares.

**SEOUL** was dragged lower amid profit-taking in high-priced blue chips and the composite index fell 10.23 to 858.37.

**KARACHI** encountered more profit-taking, pushing the KSE index 28.88 lower to 2,033.08.

## S African industrials at record

Steady demand for industrial shares took the Johannesburg industrials index up 64 to a record 5,262 in a continuation of the rally which has seen the sector rise 17½ per cent since the Washington conference on the country's future on October 2, *writes Michael Morgan.*

Copthall Martin in London noted that foreign demand has picked up substantially, particularly in the industrial sector over the last three months as the political process has proceeded more smoothly than many people had expected.

The broker added that liquidity has also improved, with many local investors willing to cash in holdings as price/earnings ratios approached the 15 level.

Ready demand from foreign buyers has since taken industrial stocks up to a current historical high of 16.6 times 1993 earnings.

De Beers picked up from a day's low of R95 to end R1.25 easier at R96.50, still dogged by reports of leaks in its diamond supply deal with Russia.

Golds advanced 22 to 2,094 and the overall index moved ahead 29 to 4,641.

### FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Ltd., Goldman, Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

| NATIONAL AND REGIONAL MARKETS (Figures in parentheses show number of lines of stock) | WEDNESDAY DECEMBER 22 1993 / TUESDAY DECEMBER 21 1993 / DOLLAR INDEX |
|---|---|
| Australia (69) | [illegible] |
| Austria (17) | [illegible] |
| Belgium (42) | [illegible] |
| Canada (107) | [illegible] |
| Denmark (33) | [illegible] |
| Finland (23) | [illegible] |
| France (98) | [illegible] |
| Germany (60) | [illegible] |
| Hong Kong (55) | [illegible] |
| Ireland (14) | [illegible] |
| Italy (69) | [illegible] |
| Japan (468) | [illegible] |
| Malaysia (69) | [illegible] |
| Mexico (18) | [illegible] |
| Netherland (26) | [illegible] |
| New Zealand (14) | [illegible] |
| Norway (22) | [illegible] |
| Singapore (38) | [illegible] |
| South Africa (60) | [illegible] |
| Spain (47) | [illegible] |
| Sweden (35) | [illegible] |
| Switzerland (48) | [illegible] |
| United Kingdom (215) | [illegible] |
| USA (518) | [illegible] |
| Europe (748) | [illegible] |
| Nordic (114) | [illegible] |
| Pacific Basin (715) | [illegible] |
| Euro-Pacific (1461) | [illegible] |
| North America (625) | [illegible] |
| Europe Ex. UK (531) | [illegible] |
| Pacific Ex. Japan (248) | [illegible] |
| World Ex. US (1647) | [illegible] |
| World Ex. UK (1950) | [illegible] |
| World Ex. So. Af. (2105) | [illegible] |
| World Ex. Japan (1696) | [illegible] |
| The World Index (2165) | [illegible] |



[illegible]

# LONDON EQUITIES

### LIFFE EQUITY OPTIONS

| Option | Calls | Puts |
|---|---|---|
| [illegible] | [illegible] | [illegible] |

### TRADITIONAL OPTIONS

| | | | |
|---|---|---|---|
| First Dealings | Dec. 20 | Last Declarations | March 24 |
| Last Dealings | Jan. 7 | For settlement | April 5 |

Calls: Alvis, Amimex, Bardon, Carlton Comms., Cluff Res., Ennex Intl., Ferromet, Heath (C.E.), Intl. Bus. Comm., LIT Pet., Lowell (Y.J.), Natl. Home Loan, Premier Cons., Rodime, Saatchi, Tullow Oil. Puts: Cluff Res., Euro Disney, LIT Pet. Put & Call: Lasmo

### RISES AND FALLS YESTERDAY

| | On Thursday Rises | Falls | Same | On the week Rises | Falls | Same |
|---|---|---|---|---|---|---|
| British Funds | 56 | 13 | 9 | 110 | 154 | 48 |
| Other Fixed Interest | 0 | 0 | 15 | 3 | 3 | 54 |
| Commercial, Industrial | 550 | 120 | 776 | 1,704 | 797 | 3,273 |
| Financial | 81 | 17 | 78 | 263 | 123 | 314 |
| Property | 27 | 5 | 102 | 95 | 57 | 385 |
| Investment Trusts | 373 | 9 | 160 | 912 | 131 | 1,112 |
| Oil & Gas | 32 | 9 | 40 | 85 | 67 | 174 |
| Mines | 29 | 39 | 72 | 139 | 157 | 263 |
| Others | 2,000 | 261 | 1,299 | 2,156 | 392 | 1,464 |
| Totals | 3,148 | 473 | 2,551 | 5,467 | 1,881 | 7,087 |

Data based on those companies listed on the London Share Service.

### LONDON RECENT ISSUES: EQUITIES

| Issue price p | Amt paid up | Mkt. cap (£m.) | 1993 High | 1993 Low | Stock | Close price p | +/- | Net div. | Div. cov. | Grs yld | P/E net |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 100 | F.P. | 53.3 | 100½ | 100 | Aberforth Sp C | 100½ | +½ | - | - | - | - |
| 100 | F.P. | 27.9 | 102 | 92 | Abtrust LLoyds | 93 | +1 | - | - | - | - |
| 230 | F.P. | 57.2 | 265 | 230 | Azlan | 262 | -1 | L3.0 | 2.8 | 1.4 | 31.2 |
| 100 | F.P. | 115.5 | 105 | 96 | CLM Insce | 105 | | - | - | - | - |
| 250 | F.P. | 158.8 | 250 | 217 | Celltech | 225 | | - | - | - | - |
| §155 | F.P. | 281.6 | 183 | 178 | Chelsfield | 180 | +2 | NM2.4 | - | 1.7 | - |
| 260 | F.P. | 328.5 | 315 | 288 | DFS Furniture | 315 | +1 | L6.4 | 2.1 | 2.5 | 23.9 |
| 100 | F.P. | 63.7 | 100 | 98 | Fairbairn Eur Sm | 98 | | - | - | - | - |
| 180 | F.P. | 61.6 | 183 | 166 | Fenchurch | 176 | +3 | W7.2 | 1.5 | 5.1 | 15.7 |
| - | F.P. | 32.4 | 112 | 101½ | Finsbury Under'wrt | 108 | | - | - | - | - |
| 100 | F.P. | 43.2 | 108 | 100 | For & Col Small C | 108 | +4 | - | - | - | - |
| 168 | F.P. | 407.0 | 202 | 166 | Gartmore | 202 | +5 | W4.0 | 2.0 | 2.5 | 25.0 |
| 100 | F.P. | 55.5 | 111 | 102 | Govett High Inc | 111 | +2 | - | - | - | - |
| - | F.P. | 0.6 | 5 | 3 | †Harmony Wrts. | 3½ | | - | - | - | - |
| 100 | F.P. | 24.8 | 111 | 108 | Inspirations | 108 | -2 | NR3.5 | 2.1 | 4.1 | 10.2 |
| 50 | P.P. | 10.4 | 53 | 51½ | Kleinwort 2nd End | 52 | | - | - | - | - |
| 190 | F.P. | 62.3 | 236 | 191 | Litho Suppls. | 236 | +15 | R6.5 | 2.0 | 3.4 | 18.2 |
| 320 | F.P. | 32.4 | 354 | 333 | London Indl | 354 | +2 | uN7.0 | 1.2 | 2.5 | 23.3 |
| 100 | F.P. | 43.1 | 108 | 94½ | Masthead Insce. | 107 | | - | - | - | - |
| 100 | F.P. | 525.0 | 107 | 98 | Mercury Wrld Mng | 105 | +1 | - | - | - | - |
| §40 | F.P. | 7.5 | 42 | 40 | †Millgate | 40 | | 2.5 | 1.8 | 7.8 | 9.1 |
| 100 | F.P. | 27.3 | 109 | 100 | Morgan Grenfell C | 109 | +3 | - | - | - | - |
| 100 | F.P. | 26.5 | 103 | 98 | NM Smllr. Aust. | 103 | +1 | - | - | - | - |
| - | F.P. | 2.4 | 47 | 42 | Do. Wrts. | 47 | +1 | - | - | - | - |
| §140 | F.P. | 66.4 | 147 | 139 | Nelson Hurst | 147 | +2 | R5.8 | 1.8 | 4.8 | 14.7 |
| 100 | F.P. | 58.2 | 97 | 92 | New London Cap | 97 | | - | - | - | - |
| §78 | F.P. | 56.6 | 120 | 94 | †On Demand Info | 111 | +3 | - | - | - | - |
| 100 | F.P. | 15.7 | 102 | 100 | Pilot Inv C | 102 | | - | - | - | - |
| - | F.P. | 19.4 | 98 | 94 | Premium Trust | 98 | +1 | - | - | - | - |
| - | F.P. | 16.0 | 122 | 107 | Premium U'wrtng | 121 | | - | - | - | - |
| §10 | F.P. | 0.2 | 11 | 10¼ | Rossmont | 11 | | - | - | - | - |
| - | F.P. | 128.2 | 229½ | 193 | Royal Doulton | 229½ | +2½ | H6.6 | - | 3.6 | - |
| 60 | F.P. | 9.4 | 62 | 62 | †Securitised En. | 62 | | NR3.5 | 1.0 | 7.1 | 11.0 |
| 160 | F.P. | 60.6 | 203 | 178 | Telspec | 191 | +2 | R2.5 | 2.8 | 1.6 | 24.0 |

† Introduction. § Placing price. F.P. Fully-paid security. For an explanation of other notes, please refer to the Guide to the London Share Service.

### RIGHTS OFFERS

| Issue price p | Amount paid up | Latest Renun. date | 1993 High | 1993 Low | Stock | Closing price p | +or- |
|---|---|---|---|---|---|---|---|
| 89 | Nil | 21/1 | 33pm | 26pm | Banner Homes | 26pm | -2 |
| 65 | Nil | 10/1 | 11pm | 7pm | Bourne End | 8pm | |
| 320 | Nil | 2/2 | 53pm | 39pm | Bowthorpe | 39pm | -9 |
| 50 | Nil | 27/1 | 4pm | 3pm | Dwyer A | 3pm | |
| 12½ | Nil | 26/1 | 6pm | 2½pm | Greycoat | 5½pm | |
| 280 | Nil | 11/2 | 122pm | 115pm | Heywood Williams | 120pm | +4 |
| 36 | Nil | 10/1 | 4pm | 2½pm | Hilclare | 2½pm | |
| 195 | Nil | 31/1 | 40pm | 17pm | NFC | 31pm | +1 |
| 11 | Nil | 4/1 | 7½pm | 2½pm | Serif | 7pm | |
| 145 | Nil | 5/1 | 46pm | 18pm | Tay Homes | 46pm | +3 |
| 32 | Nil | 31/1 | 7pm | 4pm | West Trust | 5pm | -1 |
| 152 | Nil | 14/1 | 23pm | 11pm | Wyevale Garden | 15pm | |

pm Price at a premium.

### FINANCIAL TIMES EQUITY INDICES

| | Dec 23 | Dec 22 | Dec 21 | Dec 20 | Dec 17 | Yr ago | *High | *Low |
|---|---|---|---|---|---|---|---|---|
| Ordinary share | 2549.2 | 2513.7 | 2508.7 | 2516.9 | 2505.1 | 2165.6 | 2549.2 | 2124.7 |
| Ord. div. yield | 3.63 | 3.69 | 3.71 | 3.70 | 3.72 | 4.32 | 4.52 | 3.63 |
| Earn. yld. % full | 4.12 | 4.18 | 4.20 | 4.19 | 4.22 | 5.93 | 6.38 | 4.12 |
| P/E ratio net | 30.65 | 30.16 | 30.01 | 30.09 | 29.91 | 21.52 | 30.65 | 19.40 |
| P/E ratio nil | 28.41 | 27.96 | 27.82 | 27.90 | 27.73 | 18.85 | 28.41 | 18.14 |
| Gold Mines | 240.5 | 242.6 | 247.4 | 251.9 | 247.6 | 64.0 | 257.6 | 60.0 |

*For 1993. Ordinary share index since compilation: high 2549.2 23/12/93; low 49.4 26/6/40
Gold Mines index since compilation high: 734.7 15/2/83 - low 43.5 26/10/71
Ordinary share base date 1/7/35; Gold Mines 12/9/55.

Ordinary Share hourly changes

| Open | 9.00 | 10.00 | 11.00 | 12.00 | 13.00 | 14.00 | 15.00 | 16.00 | High | Low |
|---|---|---|---|---|---|---|---|---|---|---|
| 2527.6 | 2534.0 | 2537.4 | 2535.6 | 2540.1 | 2541.7 | 2540.8 | 2543.6 | 2547.7 | 2550.7 | 2527.6 |

| | Dec 23 | Dec 22 | Dec 21 | Dec 20 | Dec 17 | Yr ago |
|---|---|---|---|---|---|---|
| SEAQ bargains | 33,718 | 30,735 | 34,296 | 37,784 | 38,153 | 10,647 |
| Equity turnover (£m)† | - | 1561.9 | 1781.6 | 1533.1 | 1841.8 | 422.1 |
| Equity bargains† | - | 35,601 | 40,867 | 42,052 | 42,887 | 13,119 |
| Shares traded (ml)† | - | 692.1 | 763.3 | 710.8 | 830.7 | 195.4 |

† Excluding intra-market business and overseas turnover.

4 pm close December 23

# NEW YORK STOCK EXCHANGE COMPOSITE PRICES

| 1993 High | Low | Stock | Div | Yld. % | P/E | Sls 100s | High | Low | Close Quote | Chng Prev. Close |
|---|---|---|---|---|---|---|---|---|---|---|
| 15 | 11½ | AAR | 0.48 | 3.4 | 475 | 116 | 14¼ | 14⅛ | 14¼ | +⅛ |
| 29⅜ | 12¾ | A L Labs A | 0.18 | 1.3 | 31 | 408 | 13¾ | 13½ | 13⅝ | +⅛ |
| 67¼ | 54⅝ | AMP | 1.60 | 2.5 | 22 | 1576 | 63 | 62¾ | 63 | +1 |
| 72¾ | 65½ | AMR | | | 52 | 3045 | 67¾ | 66¾ | 67¼ | +1 |
| 3⅞ | 1¾ | ARX | | | 14 | 161 | 3⅝ | 3⅜ | 3½ | |
| 51½ | 28⅞ | ASA | 2.00 | 4.2 | 31 | 664 | 48⅝ | 47¾ | 47⅞ | |
| 30¾ | 22⅝ | AbbotL | 0.68 | 2.3 | 18 | 7654 | 30 | 29¼ | 30 | +⅝ |
| 12⅝ | 8¼ | AbitibiPr | 0.50 | 4.3 | 7 | 24 | 11⅝ | 11½ | 11⅝ | +⅛ |
| 16⅝ | 8¼ | Acpimcgo | | | 19 | 147 | 11¾ | 11½ | 11¾ | +⅛ |
| 36 | 25½ | ACE Ltd | 0.40 | 1.4 | 5 | 348 | 28¾ | 28⅜ | 28¾ | +¼ |
| 12¾ | 10¾ | ACM Gvt In | 1.09 | 8.8 | | 1090 | u12⅝ | 12¼ | 12⅝ | +¼ |
| 10⅛ | 9⅛ | ACM GvOpp | 0.80 | 8.3 | | 235 | 9¾ | 9⅝ | 9⅝ | |
| 10⅞ | 8¾ | ACM Gvt Sp | 0.96 | 9.1 | | 650 | u10⅝ | 10 | 10½ | +⅜ |
| 12 | 10½ | ACM Gvt Se | 1.09 | 9.0 | | 1680 | u12¼ | 11⅞ | 12⅛ | +¼ |
| 12¼ | 9⅝ | ACM Man | 1.08 | 9.7 | | 347 | 11¼ | 11 | 11⅛ | |
| 9⅞ | 8⅞ | ACM Managd | 0.72 | 8.0 | | 53 | 9⅛ | 9 | 9 | |
| 12⅜ | 7¾ | AcmeCly | 0.44 | 4.5 | 12 | 75 | 9⅞ | 9¾ | 9⅞ | +¼ |
| 11⅞ | 6⅜ | Acme Elect | | | 35 | 54 | 8⅝ | 8¼ | 8⅜ | +⅛ |
| 27⅝ | 18⅞ | Acordia | 0.44 | 1.9 | 13 | 7 | 23⅜ | 23⅜ | 23⅜ | |
| 16 | 10⅝ | Acuson | | | 67 | 697 | 12⅞ | 12¾ | 12¾ | |
| 21¾ | 17⅝ | Adams Expr | 0.52 | 2.9 | 0 | 13 | 18⅛ | 18 | 18 | -⅛ |
| 68¼ | 45½ | Ad Micro | 3.00 | 6.3 | | 54 | 47⅞ | 47 | 47⅞ | +⅜ |
| 32¾ | 17 | AdvMic | 3.00 | 17.1 | 6 | 3182 | 17⅝ | 17⅜ | 17½ | +⅛ |
| 8⅛ | 5½ | Advest Grp | 0.16 | 2.4 | 11 | 37 | 6¾ | 6½ | 6⅝ | +¼ |
| 24⅞ | 14¼ | Advo Inc | 0.08 | 0.5 | 82 | 116 | 17½ | 17¼ | 17⅜ | +⅛ |
| 58½ | 41⅛ | Aegon ADR | 1.23 | 2.2 | 12 | 59 | 57 | 55¾ | 55¾ | -2¼ |
| 66¼ | 43⅝ | AetnaL | 2.76 | 4.7 | 26 | 613 | 59⅛ | 58¾ | 59 | -¼ |
| 34 | 24¾ | Aflac | 0.40 | 1.4 | 12 | 1721 | 28 | 27⅛ | 27¾ | +½ |
| 22⅛ | 16¾ | Ahmson | 0.88 | 4.6 | 8 | 621 | 19⅜ | 19 | 19 | -⅛ |
| 7¾ | 3⅝ | Aileen Inc | | | 5 | 117 | 3⅞ | 3¾ | 3⅞ | |
| 49½ | 37½ | AirPrC | 0.92 | 2.0 | 25 | 1025 | 45¾ | 44⅝ | 45⅞ | -⅛ |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

- B -

[illegible]

- C -

[illegible]

- D -

[illegible]

- E -

[illegible]

- F -

[illegible]

- G -

[illegible]

- H -

[illegible]

- I -

[illegible]

- J -

[illegible]

- K -

[illegible]

- L -

[illegible]

- M -

[illegible]

- N -

[illegible]

- O -

[illegible]

- P - Q -

[illegible]

- R -

[illegible]

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4 pm close December 23

# NYSE COMPOSITE PRICES

Continued from previous page

[illegible]

# NASDAQ NATIONAL MARKET

4 pm close December 23

| Stock | Div. | P/ E | Sls 100s | High | Low | Last | Chng |
|---|---|---|---|---|---|---|---|
| ABS Inds | 0.20 | 17 | 5 | 11¾ | 11¾ | 11¾ | |
| ACC Corp | 0.12 | 55 | 364 | 19¼ | 18 | 18⅜ | -⅞ |
| Acclaim E | | 94 | 10087 | 22⅛ | 20¾ | 21¾ | -¾ |
| Acme Mtls | | 29 | 284 | 17½ | 16¾ | 17¼ | +½ |
| Acxiom Cp | | 34 | 8 | 22¼ | 21¾ | 22¼ | +½ |
| Adaptech | | 19 | 3573 | 38⅝ | 37½ | 38⅝ | +1⅛ |
| ADC Tele | | 29 | 1003 | 34 | 33 | 34 | +⅞ |
| Addington | | 114 | 583 | u19½ | 19¼ | 19½ | +⅛ |
| Adia Serv | 0.16 | 15 | 42 | 23 | 21¾ | 23 | +1¼ |
| Adobe Sys | 0.20 | 19 | 5737 | 21¾ | 21 | 21⅜ | +¼ |
| Advance C | | 10 | 1910 | u14¾ | 14½ | 14½ | |
| Adv Logic | | 3 | 275 | 3¼ | 3⅛ | 3⅛ | |
| Adv Polym | | 7 | 523 | 5⅛ | d4⅞ | 4⅞ | -⅛ |
| AdvTchLab | | 48 | 128 | 17 | 16¼ | 16½ | -⅛ |
| Advanta | 0.30 | 16 | 4648 | 31¼ | 29½ | 30¾ | +1⅛ |
| Affymax | | 11 | 214 | 15½ | 15 | 15 | -½ |
| Agency Re | | 21 | 242 | u12¾ | 12⅜ | 12½ | +⅛ |
| AgnicoEa | 0.10 | 143 | 637 | 13⅛ | 12⅞ | 12⅞ | |
| Akzo ADR | 0.78 | 17 | 502 | 48½ | 48⅛ | 48⅜ | +1 |
| Aldus Cp | | 50 | 4055 | u26½ | 25 | 26 | +⅞ |
| AlexBld | 0.88 | 18 | 523 | 25¾ | 25¼ | 25¾ | +⅜ |
| Allegh &W | | 14 | 65 | 6¾ | d6⅜ | 6⅜ | -⅜ |
| Allen Org | 0.48 | 13 | z100 | 32 | 32 | 32 | |
| Allan Ph | | 5 | 2036 | 8½ | 8¼ | 8¼ | |
| AlldCapII | 1.22 | 11 | 855 | 13¼ | d12½ | 12¾ | -¼ |
| Alld Cap | 1.35 | 11 | 72 | 13 | 12⅝ | 12⅝ | |
| Aloette C | 0.32 | 500 | 10 | 5 | 5 | 5 | +⅛ |
| Alta Gold | 0.06 | 2 | 423 | 1 3/16 | 1⅛ | 1⅛ | |
| Altera Co | | 40 | 3042 | 30⅞ | 29¼ | 30⅞ | +1½ |
| Am Banker | 0.68 | 9 | 311 | 25½ | 25¼ | 25½ | +¼ |
| Am Cty Bu | | 25 | 61 | 28⅜ | 28 | 28 | |
| Am Manag | | 20 | 2 | 19½ | 19½ | 19½ | |
| Am Med E | | 23 | 990 | 13¾ | 13⅜ | 13⅜ | |
| Am Softwa | 0.32 | 562 | 1372 | 5⅞ | 5⅝ | 5⅝ | |
| Am Frtwys | | 44 | 824 | 18½ | 17¾ | 17¾ | -½ |
| AmGrtA | 0.50 | 18 | 3139 | 31¾ | 31¼ | 31¼ | |
| Amer Ints | | 0 | 182 | ⅛ | d1/32 | ⅛ | |
| AmerIntPet | | 0 | 4098 | 9/16 | 7/16 | [illegible] | |
| AmMdn | 2.20 | 8 | 31 | 52¼ | 52 | 52¼ | +½ |
| AmPwrConv | | 47 | 8849 | u22¾ | 21½ | 22¼ | +⅛ |
| Am Trav | | 10 | 68 | 12½ | 12⅛ | 12½ | +⅜ |
| Am FilmT | | 2 | 761 | [illegible] | [illegible] | [illegible] | [illegible] |
| Amgen Inc | | 16 | 7759 | 46¾ | 45¾ | 46½ | +1 |
| Amtech Cp | 0.06 | 38 | 6587 | 24½ | 22½ | 23½ | -½ |
| AmvstFin | | 4 | 2168 | 5 | 4⅞ | [illegible] | |
| Analogic | | 15 | 334 | 16⅛ | 15⅞ | 15⅞ | |
| Analysts | 0.48 | 14 | 530 | 17¼ | 16½ | 17¼ | +¾ |
| AnangelAm | 1.00 | 14 | 110 | 16½ | 16¼ | 16¼ | -⅜ |
| Andrew Cp | | 22 | 904 | 38¼ | 36¾ | 37 | -½ |
| Andros An | | 9 | 280 | 15¾ | 15 | 15⅜ | -⅜ |
| Apogee En | 0.30 | 31 | 48 | u15¼ | 14¾ | 15¼ | |
| APP Bio | | 8 | 894 | 4⅝ | 4⅜ | 4⅜ | -⅛ |
| Appld Mat | | 28 | 3672 | 35¼ | 34½ | 34⅞ | +⅜ |
| AppleC | 0.48 | 37 | 13487 | 27¼ | 26½ | 27¼ | -¾ |
| Applebees | 0.06 | 52 | 900 | 31⅛ | 30½ | 31 | |

[illegible]

# AMEX COMPOSITE PRICES

4 pm close December 23

[illegible]

| Stock | Div. | P/ E | Sls 100s | High | Low | Close | Chng |
|---|---|---|---|---|---|---|---|
| Cal Engy | | 17 | 1344 | 17¾ | 17⅜ | 17⅝ | |
| Calprop | | 0 | 64 | [illegible] | ⅞ | ⅞ | [illegible] |
| Cambrex | 0.20 | 13 | 15 | 19⅝ | 19⅝ | 19⅝ | -¼ |
| Can Marc | 0.28 | 14 | z100 | 10¼ | 10¼ | 10¼ | +¼ |
| Chmbrs A | 0.01 | 8 | 1510 | 4⅛ | 4 1/16 | 4⅛ | +1/16 |
| Chambers | | 8 | 14 | 4 1/16 | 4 | 4 | |
| Frequency | | 4 | 17 | 6 | 5⅝ | 5⅝ | -½ |
| Fr ofLoom | | 12 | 2750 | 32¾ | 32 | 32⅝ | |
| Garan | 0.80 | 8 | 14 | 32½ | 32⅛ | 32½ | +¼ |
| Giant FdA | 0.70 | 17 | 188 | 25⅝ | 25⅛ | 25¼ | |
| Glatfltr | 0.70 | 29 | 99 | 17¾ | 17¼ | 17½ | -⅛ |
| Goldfield | | 11 | 186 | 9/16 | d½ | 9/16 | +1/16 |
| Moog A | | 12 | 5 | 8⅛ | 8⅛ | 8⅛ | -⅛ |
| MSR Expl | | 2 | 100 | 11/16 | ⅝ | 11/16 | +1/16 |
| Nat Patnt | | 10 | 357 | 4 7/16 | 4⅜ | 4⅜ | -¼ |
| New Line | | 33 | 129 | 24¼ | 24⅛ | 24⅛ | |
| NY TmA | 0.56 | 78 | 688 | 26¾ | 26⅛ | 26⅛ | -½ |
| US Cellul | | 250 | 63 | 33⅛ | 32½ | 32½ | -¼ |
| Weatherfd | | 27 | 1182 | 9⅝ | 9¼ | 9½ | +¼ |
| Westamer | 0.60 | 19 | 13 | 27⅞ | 27⅝ | 27⅝ | -¼ |
| WIRET | 1.12 | 18 | 271 | 12⅞ | 12½ | 12⅞ | +¼ |
| Worthen | 0.20 | 8 | 109 | 21½ | 20⅝ | 21½ | +1 |
| Xytronix | | 8 | 205 | 8⅜ | 8⅛ | 8⅛ | -⅜ |

FINANCIAL TIMES
Friday December 24 1993



Investor optimism drives up share prices in major markets

# European bourses hit new highs

By Peter John in London

Share prices throughout Europe soared yesterday, with five of the six biggest stock exchanges reaching new highs.

The London stock market outpaced the others with a gain of 1.2 per cent, closing at a new peak as dealers scrambled for shares to balance their trading books before Christmas.

German institutional investors took Frankfurt up just over 1 per cent to a record high following encouraging news on inflation. The Dax index rose sharply on heavy buying in the first hour of trading and closed 25.3 higher at 2,222.84 as the most recent economic figures showed that west German inflation for the month to mid-December rose provisionally by only 0.1 per cent, leaving the year-on-year rise unchanged at 3.6 per cent.

Paris was lifted past its old high by a strong French bond market and an inflow from mutual funds. The CAC 40 Index rose 17.23 to 2,243.02 with a strong bond market and cash flowing into shares out of mutual funds offsetting some disappointment over the latest industrial production figures.

The FT-SE 100 Index, which represents the UK's 100 most highly valued companies, closed up 40.8 on the day at 3,396.5 after breaking briefly through 3,400.

The London market is fuelled by hopes that interest rates will fall again in the new year, down from the current 5.5 per cent. Renewed demand for shares yesterday caught out the market-making firms, which were already having difficulty finding stock for delivery to the buyers who have been driving the market ahead for the past month.

The FT-SE 100 has risen more than 1,000 points since the UK left the European exchange rate mechanism in September 1992. This year has generated huge profits for the investment institutions and the securities firms which service them.

Buying pressure was exacerbated by continuing background activity in the derivatives markets, which have attracted large numbers of foreign investors.

Among the others, in Zurich, Amsterdam and Madrid, equities hit their fifth consecutive record high, lifted by continued strong liquidity and hopes of lower interest rates in the new year.

The Spanish Ibex rose 53.58 to 3,616.35 and the Swiss SMI index continued to push forward closing 25 better at 2,967.4, but the Milan Comit index slipped slightly on profit taking.

World stock markets, Page 21;
London equities, Page 13

# German states to help flood victims

By Ariane Genillard and Agencies in Bonn

Several German states announced emergency financial measures yesterday to help property owners flooded by the river Rhine after days of torrential rain.

Troops in wading boots stacked sandbags in the basement of parliament to keep the worst Rhine flooding for 67 years from knocking out its heat and electricity.

The Rhine and its tributaries rose to their highest levels since the 1950s, flooding hundreds of houses along the banks.

Cologne's medieval centre was swamped as the river breached a 5km stretch of bank. By early morning, the river had hit a near-record flood level of 10.39 metres.

Four people have died in the floods in Germany and a further two in France and Belgium.

The rising rivers have blocked roads and stopped barge traffic on the Rhine, Europe's main north-south artery, ruining Christmas in dozens of towns.

Few property owners in Germany are covered for flood damage. Only the southern state of Baden-Württemberg has introduced special insurance cover for such damage.

"A few insurance companies have started to offer coverage for floods since early 1992," said Mr Jörg Knospe, spokesman for the German association of insurance companies. "Very few households have such policies."

The North Rhine-Westphalia government said that it would provide tax concessions for households and businesses suffering flood damage. It is also offering to help families earning less than DM2,500 ($1,480) a month by replacing furniture and home equipment.

Companies and self-employed people without insurance policies will also be able to ask for credits and financial assistance from their banks, who will receive state aid.

"The funds will be available to companies, especially small ones, which would otherwise go bankrupt and fire their employees," a North Rhine-Westphalia official said.

Saarland, where the usually quiet Mosel river turned into a wild torrent, also said that it would provide DM10m for families whose properties were damaged by the floods. In Rheinland-Pfalz and Hesse, state officials said they would offer individual amounts to households needing help.

Thousands of houses between Koblenz and Düsseldorf were flooded after three days of torrential rain. In Bonn, the Rhine stopped by mid-morning a few centimetres short of Chancellor Helmut Kohl's office and the new parliament building. Some diplomatic buildings along the river were flooded and many diplomatic residences in Bad Godesberg had no electricity.

Fire fighters in many areas spent the night evacuating homes. In Cologne, 25,000 houses were flooded. In Bavaria, the city of Regensburg was mostly under flood water.

# China set to lead the world on growth rate

Continued from Page 1

inflationary psychology – for example, farmers holding back goods in expectation of further price rises. However, the economists do not believe that indicates the kind of panic buying and loss of belief in government policy that presaged previous crackdowns.

Mr Zhu's easing of monetary policy in autumn has yet to have an impact on the inflation rate, but is likely to do so in the first quarter of 1994. The economists believe that the government's expected 9 per cent target for 1994 inflation is unrealistically low, but that inflation will not run out of control.

Strong political pressure forced Mr Zhu to go back partly on the tightening of credit. Even healthy state-owned enterprises were running out of money to pay wages. However, the economists believe the easing has been selective, that Mr Zhu's programme to slow the economy essentially remains in place, and that he is showing himself determined to press ahead with financial and economic reforms.

Those include radical changes to the tax system during 1994 which are likely to contribute to the cooling of the economy. Local governments, which have poured money into real estate and other fixed-asset investment, will have less revenue available.

The government is introducing new tax-sharing arrangements between the centre and the provinces, unifying corporation tax at 33 per cent and introducing a value-added tax. The result is likely to be better control of the budget as well as greater ability of Beijing to exert macro-economic control.

# Shochu lifts Japanese spirits

By William Dawkins in Tokyo

Japanese drinkers are turning to cheap liquor to lighten their recession-induced gloom.

Sales of shochu, a cheap spirit distilled from sweet potatoes, are approaching record highs, while consumption of formerly fashionable whisky, wine and beer have all declined this year.

Shochu sales ended a five-year decline in 1991, to rise 4.4 per cent last year and 5.5 per cent in the first half of this year. Turnover is heading above the 1985 record of 622,900 kilolitres for this year as a whole, according to the Tokyo office of Baring Securities. It is the only alcoholic drink to show "solid and durable growth" in Japan, says Mr Takefumi Suzuki, an analyst at Barings.

Shochu's cheapness is one reason. A hefty 1.8 litre bottle of the best shochu costs a mere Y1,200 ($11.21) which compares with Y2,100 for a bottle of sake – rice wine – of the same size, or Y6,000 for a bottle of Johnny Walker Black Label less than half that size.

The young in particular enjoy mixing this colourless vodka-like spirit with soft drinks from tea to orange juice. But the shochu boom is also part of a wider return to traditional tastes during the rigours of the downturn. The older generation drink it with hot water and pickled plums.

A few months ago, it was merely fashionable to be seen buying cheap goods. Now, many consumers are hooked on thrift, as underlined by a survey of Tokyo businessmen by Dai-Ichi Kangyo Bank. Some 43 per cent of those surveyed said their salaries had fallen over the past year.

All this corresponds with a sharp drop in custom at flashy European restaurants in Tokyo, and a corresponding rise in business at humble noodle houses, many of which are so busy that customers have to queue on the pavement.

It is at cheap local bars and restaurants that shochu gets knocked back in serious quantities. Businesses are so slack that late arrivals at the office the next morning are hardly noticed.

Home drinking, too, is on the upturn as shown by a rise in sales of shochu in paper cartons to 20 per cent of the market. Giant 4-litre plastic bottles are also popular. One of these lasts the average household about a month, says Mr Suzuki.

## FT WEATHER GUIDE

### Europe today

Conditions will be unsettled in Scotland and England. Scattered showers will fall, especially on the coasts, accompanied by snow and sleet over Scotland, East Anglia and the south-east.

Snow will fall on the slopes of the French and Swiss Alps and the west-facing mountains of Austria. In most places, the snow will increase 20-50cm.

The Dolomites will have heavy snow on the upper and lower slopes.

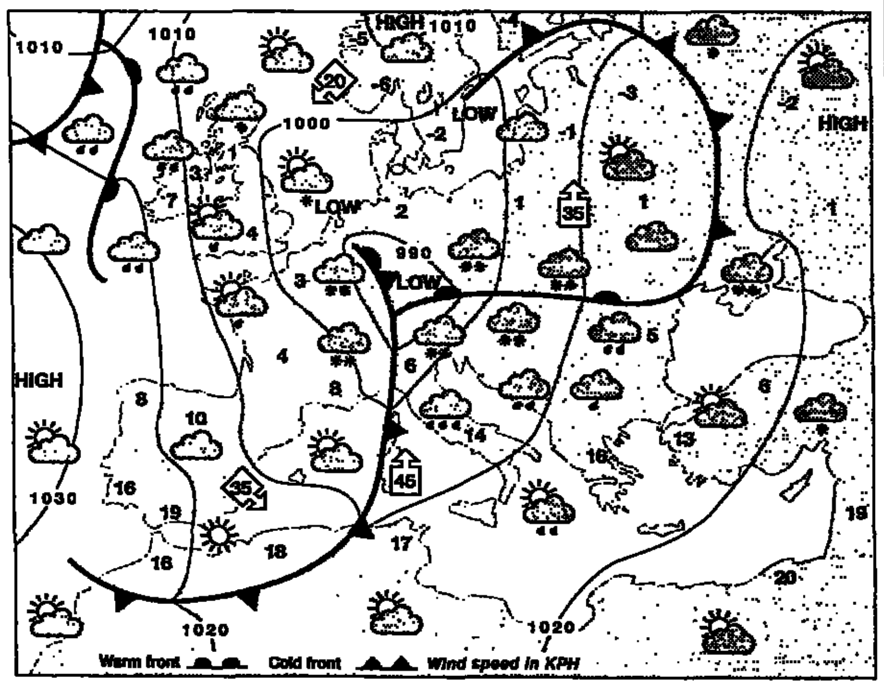
The Benelux, northern France and southern Germany will have further floods.

In the Mediterranean, temperatures will be close to 15C, but a cold north wind in southern France and north-east Spain will keep temperatures below 10C.

### Five-day forecast

The western part of the continent and the UK will be cold and unsettledwith occasional heavy rain, especially in the Alps and in Italy and in the Balkans.

There will be occasional sunshine. It will be slightly colder than usual for this time of year.




Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

| Maximum Celsius | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Belfast | sleet | 3 | Cardiff | shower | 5 | Frankfurt | sleet | 3 | Malta | fair | 18 | Rio | fair | 31 |
| | | | Belgrade | rain | 11 | Chicago | snow | -7 | Geneva | snow | 2 | Manchester | cloudy | 3 | Riyadh | fair | 23 |
| Abu Dhabi | sun | 24 | Berlin | cloudy | 0 | Cologne | sleet | 2 | Gibraltar | fair | 18 | Manila | cloudy | 29 | Rome | shower | 14 |
| Accra | fair | 33 | Bermuda | thund | 21 | D' Salaam | fair | 30 | Glasgow | cloudy | 1 | Melbourne | cloudy | 21 | S. Frsco | fair | 15 |
| Algiers | sun | 18 | Bogota | fair | 20 | Dakar | fair | 25 | Hamburg | snow | 1 | Mexico City | fair | 21 | Seoul | cloudy | 2 |
| Amsterdam | sleet | 3 | Bombay | sun | 32 | Dallas | fair | 4 | Helsinki | snow | -3 | Miami | fair | 22 | Singapore | shower | 27 |
| Athens | fair | 16 | Brussels | sleet | 3 | Delhi | sun | 22 | Hong Kong | fair | 18 | Milan | rain | 7 | Stockholm | snow | -1 |
| B. Aires | sun | 30 | Budapest | rain | 5 | Dubai | fair | 24 | Honolulu | fair | 27 | Montreal | snow | -8 | Strasbourg | sleet | 3 |
| B.ham | cloudy | 3 | C.hagen | snow | 0 | Dublin | sleet | 3 | Istanbul | fair | 13 | Moscow | snow | -3 | Sydney | cloudy | 28 |
| Bangkok | fair | 30 | Cairo | sun | 21 | Dubrovnik | shower | 13 | Jersey | cloudy | 8 | Munich | snow | -1 | Tangier | fair | 15 |
| Barcelona | fair | 13 | Cape Town | sun | 30 | Edinburgh | cloudy | 1 | Karachi | fair | 26 | Nairobi | fair | 25 | Tel Aviv | fair | 20 |
| Beijing | sun | 5 | Caracas | cloudy | 29 | Faro | fair | 16 | Kuwait | fair | 22 | Naples | shower | 13 | Tokyo | fair | 12 |
| | | | | | | | | | L. Angeles | fair | 24 | Nassau | fair | 28 | Toronto | snow | -6 |
| | | | | | | | | | Las Palmas | sun | 20 | New York | fair | 1 | Tunis | fair | 17 |
| | | | | | | | | | Lima | cloudy | 26 | Nice | shower | 15 | Vancouver | cloudy | 6 |
| | | | | | | | | | Lisbon | fair | 13 | Nicosia | fair | 18 | Venice | rain | 7 |
| | | | | | | | | | London | sleet | 3 | Oslo | fair | -6 | Vienna | rain | 4 |
| | | | | | | | | | Lux.bourg | snow | 0 | Paris | sleet | 3 | Warsaw | cloudy | 1 |
| | | | | | | | | | Lyon | rain | 5 | Perth | sun | 34 | Washington | fair | 3 |
| | | | | | | | | | Madeira | fair | 18 | Prague | cloudy | 0 | Wellington | fair | 19 |
| | | | | | | | | | Madrid | cloudy | 12 | Rangoon | fair | 33 | Winnipeg | cloudy | -14 |
| | | | | | | | | | Majorca | fair | 15 | Reykjavik | snow | -1 | Zurich | snow | 0 |



THE LEX COLUMN

# Shopping trips

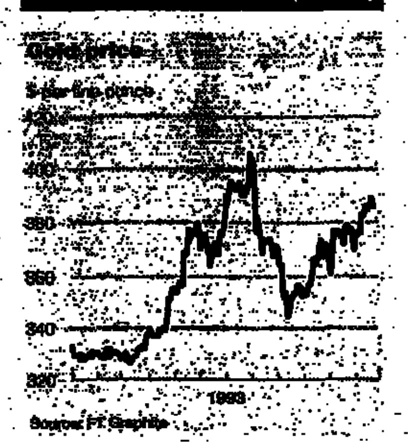
Stock market jitters about Christmas sales are as traditional as family rows in front of the television. In 11 of the past 13 years, the UK stores sector has underperformed the market in December. This year's worries have been given added edge by the ominous trading wobbles in the textiles sector. The new-found reluctance of retailers to seep news into the market through tipsy indiscretions at stockbrokers' parties has left investors in the dark.

At almost 25 times historic earnings, the stores sector is more highly rated in absolute terms than at any time since the early 1970s. With valuations stretched so tight it is little wonder that the sector slipped at the beginning of the month. Some shareholders clearly feared it was not just turkeys that would be roasted this Christmas.

Yet it is a retailing truism that Christmas comes later every year. The Budget may have confused the pattern but sales do appear to have accelerated over the past weeks. The best guess is that it has been a steady, if unspectacular, trading period. The latest John Lewis Partnership figures are certainly showing solid sales gains.

The outlook for stores next year is finely balanced. Tax rises will depress consumer spending, although the current savings ratio of 10.6 per cent highlights potential spending power. Investors may also keep faith in a sector that promises earnings growth in line with the market but with no exposure to mainland Europe. The added bonus could come from the consumer cycle being brought back into line with the political one. As the next election looms, twitchy Tory MPs will be pressing for a more consumer-friendly stance.

FT-SE Index: 3396.5 (+40.8)




## Tomkins

It would be surprising if Tomkins' decision to explain its hedging strategy was responsible for yesterday's fall in the shares against the run of a rising market. There is nothing unusual about Tomkins' policy of protecting its balance sheet against currency movements, only its choice of instruments. Rather than borrowing in dollars in the manner of Hanson, Tomkins uses currency swaps to create dollar liabilities in equal measure to its US assets. If the dollar falls these assets will depreciate in sterling terms, but so will the liability under the swap agreement. Shareholders' funds should remain unchanged.

There is no reason why this approach should be risky, so long as Tomkins is choosy about the banks with which it deals and has sufficient management controls. Tomkins has no natural requirement for dollar debt, so borrowing to hedge its US assets would anyway distort the balance sheet. The only worry is that liabilities under swap agreements are held off balance sheet and are therefore not visible in the accounts. One can only accept Tomkins' word that it never strays into the territory of speculation.

Some investors will doubtless object on principle to companies which hedge accounting exposures with instruments that can give rise to cash movements. Tomkins also stands out from the crowd by hedging the translation of overseas profits into sterling, usually by selling dollars forward. The company argues that shareholders appreciate its efforts to make its financial results more predictable. Since Tomkins' acquisitive strategy depends on keeping its share rating well above the market average, that level of certainty has a value all its own.

## Gold

The price of frankincense and myrrh may be impossible to chart; that of gold has been moving up quite nicely recently. After the spell of profit-taking which saw it retreat sharply from its year's highs of around $410 in August, the metal is climbing back towards $400. That may seem surprising in view of the retail consumer resistance that developed in the Far East at the higher price levels, but other seasonal and not-so seasonal factors are helping demand.

Not only is demand boosted by buying ahead of the Chinese New year and Indian wedding season; the low oil price has perversely stimulated retail buying by Middle Eastern investors worried about a possible devaluation of their currencies. Jewellery demand has also picked up slightly in the US, thanks to the economic recovery. As for supply, South African producers seem reluctant to step up their forward sales while the price is rising, and it will be some time before new discoveries in countries such as Venezuela and Ghana come on stream.

The fundamentals could thus sustain a further price increase, provided it is not too violent to scare consumers. One theory about the way in which Far Eastern demand dried up in the summer was based on the sheer speed with which the metal approached $400 rather than the absolute price it reached. The risk, though, is that speculative pressures could again cause the price to overshoot. Moreover, while the weak oil price appears to have helped the metal so far, things would change if any producing country was forced to sell bullion from its reserves. That, together with the prospect of central banks cashing in options profits at higher prices, means gold may struggle to break decisively through its closing peak of $414 during the Gulf War.

## Paramount

The defining moment in the battle for Paramount is still some way off, despite QVC's initial victory in the auction stakes. Both sides can increase their bids before the tender deadline of January 7, but there is no hurry for Viacom, which must now counter QVC's bid. The art for Viacom is to look like a loser for as long as possible in the hope that its own shares will rise while those of QVC fall, thereby reducing the overall value of its bid. Yet the mere fact that such a strategy appears appropriate underlines the silliness of the sums on the table.

Success will probably go to the bidder which offers the most cash. That will hurt. Viacom must persuade its partners to dig deeper into their pockets, but a successful bid would almost certainly leave it with much higher gearing than QVC. Despite fine talk about the multimedia revolution, the winner's immediate challenge will be to turn round Paramount, which is short of box office hits. QVC could find that task easier – unlike Viacom it does not plan to leave Paramount's top management in place.



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Weekend FT

SECTION II

Friday December 24 1993

# How Aladdin helped build a castle – but lost out when it had to be reconstructed

***Barry Riley*** *enters the Cave of Gatt and a gripping story unfolds – but will it end happily ever after?*

Once upon a time, in a land not so far away, where the wind is bitterly cold and the rain often lashes down from a grey and sullen sky, a *Magic* Kingdom once grew out of the damp farmland. Its fairy castle turrets rose towards the sky and its walls resounded to the sounds of happy crowds and fireworks. But the magic faded and the Kingdom lost its power, and the allegiance of its millions of subjects waned. This is the story of its rise and fall.

There were moguls from the west, from the Holy Wooden Empire of the Clintonians. One was a man called Eisnar, rich and powerful, his wealth expanded by his almost unlimited options. He was already a Grand Vizier in his native land but he vowed to conquer other parts of the earth where his market share was low compared with the local entertainment product. So he came east and journeyed in search of the treasures which he believed were hidden there, in particular in the Christmas video market.

*In the* course of his travels he seized literary gems, especially those in which there was no longer any copyright, such as *Beauty and the Beast* and *Jungle Book*, and turned them into animated wonders which all the world flocked to see. But still he did not rest content, because there was resistance to his ambitions and a bigger share of the multimedia leisure spending market could still be gained.

So the cunning Eisnar drew up a scheme for a new Magic Kingdom and printed it in a special prospectus and on the cover he painted a *picture of a pink castle. And he* pinned it up on walls and inserted it into local newspapers and waited for local gamblers and traders.

Sure enough, he did not have long to wait before Aladdin, a local merchant and investor, came looking for Eisnar. "I find your scheme very *attractive,*" he cried. "Before long it will be paying out great dividends. Please let me invest." (In real life, of course, people do not subscribe to prospectuses with pink castles on the front, but remember, this is a fairy story.)

Thus an elaborate contract was *drawn up and partnerships in the* scheme were granted to Aladdin and many of his friends. And Eisnar raised his hands and issued the command for the Magic Kingdom called Euro Disney Resort to be created out of an empty landscape. Such was his power that it was done.

But soon the mighty Eisnar began to become angry. The returns were slipping below budget. The local people began to become restless under his rule and to protest about his "cultural imperialism" as they called it. He needed to increase his power. But only Aladdin could help him to achieve this.

Therefore he promised the greedy *Aladdin that he would increase his* dividends, but only if he helped him in a special mission. They journeyed out into the wilderness and came to a spot at Geneva, where the mountain lake feeds a mighty river between many high banks.

"This is the entrance to the Cave of Gatt," Eisnar announced.

"I cannot enter, but *you* can. Do not be afraid. The Cave extends almost for ever, some say as far round as Uruguay, but you do not need to go far. Just inside the entrance you will find the Magic Lamp. I need it for my audiovisual industry. Bring it to me as quickly as you can. Beware of this, however: that you must ignore the other riches within and must return by December 15."

At this, his voice became harsh and frightening. "If you do not succeed the Cave of Gatt will crumble and you will be trapped for all eternity behind the high tariff walls. For so the emperor of the Clintonites has decreed."

Fearfully, Aladdin entered the cave, which to his ears seemed to be filled with the sound of endless *talking*. But *immediately* he gasped in wonder. All around were the great treasures of the world, spices *from the East Indies*, rice from Thailand, textiles from China, computers from Taiwan, jumbo jets from Seattle. Then he saw the entertainment section, with piles of *Michael Jackson CDs and heaps of* videos such as *Rambo 2* and *Childs Play 3*. In the middle lay what must be the Magic Lamp, battered and dusty, and surely worthless.

Then he made a grave mistake. Tempted by the treasures all around, he picked up a *Peter Pan* video. At once the ground began to shake violently beneath his feet, and he heard the angry voice of *Eisnar bellowing from the entrance* to the cave. "You foolish knave, you have disobeyed my instructions and you have infringed my intellectual property rights. You shall pay the ultimate penalty. You shall be consumed by a trade war."

Desperately Aladdin looked around. Surely he could not get out by December 15 now. He picked up the magic lamp and looked at the primitive object to see why it might be so valuable. Was it broken? He rubbed the side to see if it might be *made of gold.*

The result was amazing. There was a sudden blue flash, a clap of thunder, and a hazy figure appeared. "I am Sir Leon, genie of the Magic Lamp," the apparition pronounced. "Your every directive is my command, or at least, will be the basis for meaningful negotiations at the highest level."

Aladdin looked around in panic at the crumbling Cave of Gatt. It might fall in at any moment. "Can you get me out of this mess?" he cried. "No problem!" answered the genie. "It may take all night, but I can fudge an answer somehow! And then I can appear on BBC breakfast TV at the peak audience time!"

And so the Cave of Gatt did not, after all, collapse but was propped up. Aladdin returned home and life continued much as before, but he realised that somewhere Eisnar was still at large, and in his anger and *frustration might be seeking* revenge, especially as the newspapers said that EuroDisneyland was threatened with closure.

Several months passed, and then one afternoon he heard a strange sound outside his house. Looking through the window he saw a stooped old pedlar with long white hair hobbling along the road, carrying a bundle of papers. In a quavering but penetrating voice the old man called out repeatedly: "New shares for old! New shares for old!"

Other people were approaching him, offering shares in companies such as Fisons, Tiphook and Queens Moat Houses, yet he turned them away. But then Aladdin came up with his Euro Disney certificates. Suddenly the old pedlar seized them, crying: "Excellent sir, *you are the investor I have been* searching for. Your shares are worthless, without hope of dividends, but why not take these perpetual zero coupon loan certificates instead?" They sounded good, Aladdin admitted, but why was there a picture of a small furry animal in the corner? "It is logical," replied the old man, who seemed to become younger by the minute. "When you have Micky Mouse securities it is wise to recognise the fact."

And so Eisnar – for indeed it was he in disguise – went away in triumph because he no longer needed Aladdin, and he began to work his spell on the Magic Kingdom. The capital was restructured, some new magic carpet rides were built and the marketing was sharpened up. New auditors were hired, to replace the over-fussy previous firm. A new tunnel to the north was opened, encouraging Anglo-Saxon hordes to visit at special cut prices, with a special opportunity to purchase duty-free drinks.

Aladdin was upset, because he believed he had been deceived. But he remembered the old Magic Lamp, which was still in his possession, and he rubbed it vigorously. *Again Sir Leon the genie* appeared in a puff of smoke. "Your wish is my directive, subject of course to satisfactory harmonisation procedures and the required legislative implementation by all member states," he said.

"You must stop Eisnar," cried Aladdin. He has restored the power of the Magic Kingdom and may achieve total cultural domination."

"Don't worry about a thing," replied Sir Leon. "It should be easy. With a wave of my regulation book *I shall require full compliance with* the Third Theme Park Directive, including sub-section 13(c). Furthermore, *all Mickey Mouse* impersonators must be paid a minimum wage of Ecu1,000 an hour. Lastly, all food prepared at the site, including ice cream, must contain 10 per cent garlic from the garlic mountain. That should fix it."

Thus was Eisnar repelled, and the clouds gathered and the rain fell and a great forest grew around the Magic Kingdom and hid it, until even the highest turrets of the castle had vanished.

But sadly Aladdin and his friends did not live happily ever *afterwards*. The moguls of the Holy Wooden Empire developed a new scheme. They created *monsters called* Tyrannosaurus and Stegosaurus which roamed the land, crushing and consuming local *opposition and* creating a famine in the box offices. But that will be another story, the one they shall call *Jurassic Park 2*.



CONTENTS

# For Christmas, an irreverent priest

*A crumbling colonial hotel in Macau gave **Kieran Cooke** an unrepeatable lunch*

The monsignor was rolling a string of spaghetti unenthusiastically onto his fork. "The worst part about being in Rome was the confessions. The smell of garlic. It would knock you over. And the sins were so boring – I was expecting far more spice. It was very disappointing. I thought the Italians had more imagination."

He put his head back and laughed uproariously. There is nothing more irreverent than an irreverent priest.

We were starting Christmas dinner in the darkened dining room of the Bela Vista hotel in Macau, that strange postage stamp of Portuguese territory stuck on the rump of China. It was 1978.

Manuela shared our table. She was on her way to see her daughter in Tokyo. One day, the daughter had arrived home in Rome to say that she was going to marry Yoshi, her judo teacher.

The daughter had become a black belt but the marriage had hit the canvas. Manuela was taking a couple of days in Macau to brace herself before coming to grips with the judo instructor.

The monsignor once supervised marriage annulments in California. "They're very modern over there. They would come looking for annulments not only on the grounds of physical non-consummation but saying the marriage was psychologically non-consummated as well."

Another frenzied laugh, like a happy horse rising on its hind legs.

The other diners looked on curiously. Portuguese men with blazers hung elegantly on their shoulders endeavoured to prise open bread rolls. Jewelled ladies hacked away at pieces of ancient mutton.

The Bela Vista is now a tasteful, if expensive, rest house. Back in the 1970s, it was a crumbling colonial pile, with Russian-style plumbing and shocking electrics. Once, staying in one of its rooms with sinking bed and heavy, southern European furniture, I pulled the curtain closed. It fell down on top of me, filling my lungs with the dust of Portuguese explorers.

People visited the Bela Vista because it was different. It was famous for its magnificent view over the Pearl River estuary – and its truly diabolical food. The owner, a corpulent Portuguese colonial who drank vast quantities of white port, laboured hard at serving up the inedible. The coffee was especially famous – the best purgative in the east.

At opportune times, as in the middle of Christmas dinner, the owner would have full-blooded arguments with his wife. At least, one assumed it was the wife. She was never seen. We called her the V-bomber: all you heard was a high-pitched whine and then a crash as porcelain hit the wall.

Manuela was asking the monsignor about the Pope. The monsignor had done time at the Vatican as a papal diplomat.

"He's pleasant enough." A priestly pause. "But all this talking in 46 languages and running around the world kissing the tarmac – I prefer my popes a bit more dignified. Behind high walls. Only appearing to say something momentous occasionally."

We tried to identify what vegetables had been served. Whatever they were, they had met with an accident somewhere along the way.

The monsignor liked the pope's conservatism. "If it was me – which it never will be – I'd go back to the Latin mass. We need more incense, more candles, more mystery."

The dining room had plenty of mystery. The lighting was on the blink.

The waiters were a central feature of the old Bela Vista. It didn't matter if the lights were on or off, they always bashed into the tables, upsetting soup spoons between bowl and mouth or causing forks to become lodged in ear lobes.

Their average age was well over 60. They were the only Chinese I have ever heard use the word "Chow". They all had much-mended, starched, white uniforms.

If you so much as paused between mouthfuls, your plate would be whisked away. Meals were over very quickly – no bad thing considering the quality of the cuisine.

"What's that?" asked Manuela. A waiter had, rather unsteadily, set down a flaming dark mass in the middle of the table. "Christmas pudding?" I suggested. There was a pop and a tired wheeze, like the air going out of a balloon. The pudding shrank to an eighth of its size.

"It's a miracle," said the monsignor. We didn't touch it.

There was a miracle of sorts. Someone produced a round of rich Portuguese cheese. The blue-blazered men, their elegant ladies and all of us dug in.

The owner, satiated after another high-spirited kitchen encounter, lit candles and brought round the port. A very scratched *fado* record was playing. Eyes were wetting.

"Do you know," whispered Manuela, "I once knew a young, very handsome English seminarian in Rome. He decided to give it all up after studying for years."

"Sex again, I suppose?" sighed the monsignor.

"No, not that at all," said Manuela. "He came to my house one morning with such a look on his face. I will always remember it. Resigned yet contented, as if he had finally discovered the essence of something.

"He said he'd been walking through the early-morning market. He had gone past the flower stalls and then through all the piles of fresh vegetables.

"He stopped and looked around. There and then, he decided that he could not go on with his studies. He said the vegetables had done it."

The monsignor roared.

# A test for ports at under £10 a bottle

***Jancis Robinson** sniffs a bargain – with some help from her friends*

We all know that vintage port is a relative bargain at the moment, what with Oddbins offering 1977s for just £22.99, but can any decent port can be had for less than £10 a bottle?

To find an answer 35 very different wines were summonsed for inspection by myself, Edmund Penning-Rowsell and Giles MacDonogh, fellow *Weekend FT* drinks writers, and Richard Mayson, author of the prizewinning book *Portugal's Wines & Winemakers*.

Out of consideration for our teeth and brain cells, we excluded the most basic ports, those labelled Ruby and Tawny and selling for about £5 to £7.

The two chief styles of port represented were Late Bottled Vintage (LBV), wines from a single year bottled at about five years old, together with the category which has been called, with considerable hyperbole, Vintage Character.

This term is likely to be outlawed within a few years in favour of Premium Ruby, for these ports are not at all like Vintage port but are essentially Ruby given a few more years' wood ageing.

There was enormous variation in quality between different shippers' bottlings, and buyers' own labels (the latter by no means necessarily inferior to the former).

Although the leading brand Cockburn's Special Reserve was perfectly acceptable, if relatively expensive, some Vintage Character wines were vapid – not a quality normally associated with port.

Mayson suggested that a good regular Ruby such as Smith Woodhouse (£5.99 Oddbins) can offer more unadulterated fruit than these supposedly superior versions. These ports are made typically from bought-in wines rather than from the produce of the shippers' own vineyards.

The LBVs were in general a more satisfactory group costing perhaps only a pound more per bottle, although very few of them bear much resemblance to true vintage port, and too many taste like superior Ruby.

Thanks largely to a number of deals struck especially for Christmas, however, it is possible to find genuine wood-aged Tawnies (as opposed to the commercial blended Tawnies that are mainly young Ruby with a dash of white port) at less than £10, although it is clearly asking too much to expect great finesse and 10 years in cask for a tenner.

We also tasted two Crusted ports (blends of different years bottled so young that they throw a deposit in the bottle) and even managed to find one genuine Vintage port, a special offer bargain from Majestic.

Only the Crusted ports need decanting, although LBVs from Niepoort and Churchill may have some sediment as they are not subjected to the same filtration regime as other LBVs.

The most interesting port of the lot was the vintage, Offley Boa Vista 1982; the other bargain was Sainsbury's Vintage Character; the best Vintage Character was Churchill's; the best LBV was Graham's LBV 1986; and the wine about which we disagreed most strongly (Richard and myself in favour, the others against) was Niepoort Senior Tawny.

Quady's Californian riposte to port (called Starboard and sold by Majestic for £8.99) was preferred by most of us to the majority of Vintage Character ports, although Richard Mayson found it rather too sweet.

## PORT BARGAINS IN DETAIL

**Vintage Character**

■ Churchill's Finest Vintage Character, £9.80, Lay & Wheeler of Colchester, Windrush Wines of Cirencester, and Eaton Elliott of Alderley Edge. Seriously concentrated wine which shows every sign of being capable of getting even better with its deep colour and very firm structure. A cheaper, not "Finest" version is also in circulation.

Sainsbury's £5.95 Croft makes this bargain. Another solid wine, simpler than Churchill's.

**LBV**

■ Tesco LBV, 1986, £6.69. A bargain in this bumptious peppery port bottled by Smith Woodhouse, from the Symington stable also responsible for Dow, Graham and Warre.

■ Graham's LBV 1986, £9.45 and up. Unanimous enthusiasm for this lively, spicy wine; mellow but with a punch. Rather fruitier than the 1987 at the moment.

■ Graham LBV 1987, £9.95 and up. Very deep colour, well balanced, lively and ready. The 1986 is just £8.89 from Morrison's supermarkets in northern England. The many other stockists, who are generally moving from the 1986 to the 1987, include: Safeway; Thresher; Waitrose; Averys of Bristol; Lay & Wheeler of Colchester; Andrew Weir of Luton and Caves de Bacchus of Leicester.

■ Niepoort LBV 1987 £9.75 Bibendum, London NW1. A bottle of perfumed, ripe black cherries which would benefit from longer in bottle.

**Other Ports**

■ Offley Boa Vista, 1982 vintage, £9.99, Majestic. From a special parcel of fine bargain ports (including many a fine vintage port), this is a snip, and by no means an apology for the style. Lovely perfume with chocolate and prune flavours. Drink now, or better still, keep.

■ Dow's Crusted, bottled 1987, £9.95. Waitrose (£10.45 Safeway) The next best thing to vintage. Powerful.

■ Sainsbury's 10-year-old Tawny, £9.95. A perfectly acceptable light, smooth, fully mature, wood-aged port. Delicate with a slightly harsh finish. A keen price from Quinta do Noval.

■ Niepoort Senior Fine Old Tawny, £9.75, Bibendum, London NW1. Distinctive, vigorous wine. Giles found it unattractively reminiscent of dill pickles.


# A last-minute escape from the sprouts

***Giles MacDonogh** is still hoping to make his escape from a traditional British yuletide*

There are just a few more hours to go and I still don't know where I shall spend Christmas. The important thing is to escape the traditional yuletide in Britain: arid turkey surrounded by little chipolatas and gassy Brussels sprouts; the dessicated ham; the oily smoked salmon; and that final explosive *envoi* in the form of a Christmas pudding licked by blue flames of brandy.

I called a friend in Dublin. I had had this dream about spiced beef and Guinness. He was more than ready to help: "Great! We'll go to somebody else's house and drink mulled wine and then back to the family for the first arguments. There'll be turkey and ham. I can't think for the life of me where you got this crazy English idea about spiced beef. Then we will have the most boring vegetables imaginable; they are as often thrown at people as eaten, but that doesn't matter because we'll all be hammered by lunch time.

"Not much gets eaten at all." No. On second thoughts, Dublin sounds too much like home.

There is always Paris, but apart from the *réveillon* there is little really Christmassy about December 25 in northern France. It seems to hinge more on the season than the day. I do remember with nostalgia, however, Decembers in the rue du Buci market in Paris: the profusion of furred and feathered game hanging from the butchers' awnings: pheasant, partridge and duck; and the great hairy haunches of venison and wild boar. Then round the corner in the rue Dauphine, the long queue outside Coesnon's tiny shop, waiting to buy *foie gras* terrines and little *boudins blancs*.

Even in France the ugly bird has made progress; replete with chestnut stuffing it is beginning to displace the more traditional leg of lamb as the centrepiece at the Christmas lunch. One should have thought lamb a more pascal dish; when the meat is young and tender. What the French and Spanish eat at Christmas is hogget: half way to mutton.

The chief advantage of the Latin Christmas, however, is that the shops stay open for the morning and there are even restaurants doing a brisk trade. In Paris, outside the main brasseries on the boulevards, the oystermen work overtime to prepare baskets full of bivalves for hors d'oeuvres.

Neighbouring Belgium doesn't seem to be quite right either: a compromise between Teutonic goose-eating and the international turkey which has come in on the back of Nato and the EU. The meal is polished off with what a friend calls "a revolting *bûche de Noël* surmounted by a little, pink Jesus looking for all the world like the famous *Manneken-Pis*"!

Spain is nothing special: "We just eat a lot more of everything," said a Spaniard. "More lamb and more sea bass; and lots and lots of *turrón*." I felt a nasty jab in my stomach as I though of the indigestions borne of *turrón*.

Provence has more Christmas feel to it. Fish is favoured: grey mullet with olives, or salt cod and cauliflower; cardoons and the 13 Christmas desserts. These include nougat, quince paste (in those cases where the quince trees survived the 1956 frost), dried figs, dates and fougasse biscuits.

The best of Latin Christmasses are to be found in Italy. In the north there are sweet things. Last year I received a *pannetone* from Gucci and was disappointed when I opened the packet not to find a pair of brogues. But *pannetone* can be a mite dry.

Elsewhere, in Emilia Romagna, there is pane di Natale: a rather flatter version of the Milanese *pannetone*. The meaty side of the feast is not so special, although in Bologna they make big tortellini from different meats and at the new year, the *cotechino* sausage is served with lentils to represent the money that will come rolling in over the next 12 months.

For an individual Christmas Rome would be a good bet. Here eels are eaten before you go on to gorge yourself on a capon. Capons cannot be produced in Britain where draconian legislation exists to protect the cock's prowess. In many ways this is a pity: a good capon knocks the feathers off a turkey and it is a more traditional Christmas bird.

I once spent Christmas in Vienna. We had a huge lake trout instead of the muddy carp on Christmas Eve, served with a thick *beurre blanc*. The next day, after the Nelson Mass at the Augustinerkirche, I was given a Christmas *Bockbier* by a friend from the Vienna Philharmonic. Later a big vodka-martini was put into my hand. By the time the goose appeared I was well and truly "hammered", to use my Irish friend's word.

You find a similar scheme of things across the Inn in Germany. In her *Berliner Kochbuch aus alten Familienrezepten*, published by Weingarten, Maria von Treskow draws a pretty picture of a traditional Berlin Christmas. The shops filled with *Pfefferkuchen* from Thorn; toffeed almonds from Königsberg; *Baumkuchen* from Cottbus; or *Stollen* from Dresden. Pomerania used to produce the smoked goose breasts and the shops were filled with carp. The last Kaiser was particularly fond of carp cooked in beer after which he favoured Christmas pudding doused in *schnapps*. The main feature of the Christmas lunch was a big, white, larded goose, also from Pomerania. Those from Poland were thought to be scrawny: the goose was stuffed with apples and sultanas and served with red cabbage and boiled potatoes.

The sad thing is that most of these places are not what they were and, I am told, that one is more likely to find turkey these days.

In the east the Russians tried to stamp out Christmas and replace it with a New Year's Eve feast. In the old days Christmas Eve was a fast day, the last day of Advent and that was why Central and Eastern Europeans were stuck with carp. The devout Russian ate ravioli stuffed with mushrooms and clear borscht followed by stuffed carp; on the day there was a Teutonic goose followed by koutia: my white Russian correspondent informs me this is "quite revolting" – a blend of barley, honey and dried fruit.

Paradise may well be in Scandinavia. The Danish solution sounds Germanic: goose with apples and a rice porridge which conceals an almond. Whoever finds it has the right to a present – a pink marzipan pig – a sweetmeat which made the fame of Lübeck and other Baltic ports, at least as far as children were concerned.

In Sweden there was a copious Smörgasbord. A great mustard covered ham is the centrepiece and the table should be presided over by a boar's head. There are lots of different herrings, collared brawn, meat-balls, and *lutfisk* – stockfish or ling dried, split and slaked in lime. One of the oddest things is *dopp i grytan*: a big pot of ham broth into which Swedes dip wort-flavoured bread.

Across the border in Norway there are even better things such as dried mutton ribs cooked over birch branches served with potatoes and mushy peas. It is washed down with aquavit and beer. The greatest incentive of all, however, is the dark reindeer meat culled in Lapland in the north. This is served with a game sauce flavoured with goats' cheese and crushed juniper berries.

On balance I think Norway is the ticket.

Cookery/**Philippa Davenport**

# Make it easy on yourself

Does anyone manage to avoid last minute Christmas shopping? Often, I find, there are presents as well as foods to buy on Christmas Eve. There are parcels to wrap, maybe cards to write, the tree to decorate, stockings to fill, and lots of culinary preps to be done for the morrow.

It can easily become my least favourite day of the year.

If the cook is to remain sane Christmas Eve menus must be kept as easy as possible. Yet such is the pace of activities that our need for edible fuel is considerable.

Lunch and tea tend to be pit-stop affairs with people coming and going at different times so self-service is probably best.

The obvious choice for lunch, and hard to beat, is lashings of good hot soup, made at an earlier date and squirrelled away in the freezer. Good breads and a first crack into the Christmas stilton will complete the meal with walnuts and jugs of crisp celery, and, finally, maybe a bowl of clementines.

By teatime various members of the family, usually scattered countrywide, begin to gather under one roof. So tea should be a proper welcoming tea with crumpets and drop scones and fruit breads that everyone can toast for themselves in front of the fire.

Dinner will probably be late. The menu should signal the beginning of the festivities. Yet it is best to avoid very luxurious foods or too much of a blow-out. Enough of that tomorrow. Besides you may want to stay awake for midnight service.

A modest yet appetising menu might start with potted shrimps, be followed by a dish of pork then one of rice, both of these last two taking their cue from Scandinavian Christmas customs.

### CHRISTMAS EVE PORK
*(serves 5-6)*

Pork (and goose) are the meats with which Christmas is celebrated in Scandinavia. This fragrant dish of pork is one of the easiest I know. The raw ingredients are simply packed into a pot and slipped into the oven. No need to preheat the oven.

In fact, if you plan to be out all day, you can set the automatic oven timer so the meal will cook itself in your absence and your homecoming will be greeted by a comforting whiff wafting from the kitchen. Serve the pork with lots of mashed potatoes to soak up the flavoursome gravy, and a clean green salad of bitter leaves on the side.

**2 lb boneless belly of pork rashers; 1 dozen prunes; 1 smallish onion; 2 fat garlic cloves; plenty of thyme, preferably fresh lemon thyme; 3-4 tablespoons each of chopped coriander and flat leaf parsley; a small corner of chicken stock cube; 2 or 3 butter papers; 1 tablespoon tarragon or white wine vinegar plus enough unsweetened white grape juice to make ½ pt liquid in total.**

Lightly butter a large shallow dish that will take the pork in a single layer. A Le Creuset buffet casserole is ideal. Cut each rasher of pork in half. Leave the rinds on. They will enrich the texture of the gravy deliciously, they will be meltingly tender by the end of cooking and are good to eat.

Lay the pork jigsaw fashion in the dish, squeezing the prunes into the gaps. Scatter the thyme leaves and the finely chopped garlic over the meat. Season well with salt and pepper. Add the crumbled stock cube and veil the whole lot with the onion, sliced as paper thin as you can.

Pour on the liquids, which should come almost level with the top of the meat. Lay the butter papers directly on top. Cover with a well fitting lid or double thickness of tightly crimped foil.

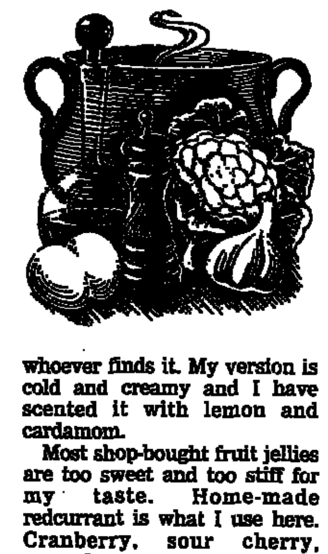
Place the dish in a cold oven, turn it on to 300°F (150°C) gas mark 3 or just under and cook for 3½-4 hours.

A little longer will do no harm providing the temperature is low and the dish is well sealed. When it is ready the meat should be so tender that even the toothless would rejoice in eating it.

### CARDAMOM CREAM RICE PUDDING
*(serves 6)*

Rice porridge and rice puddings of various sorts, some hot, some cold, are favourites at Christmas throughout Scandinavia.

Tradition calls for a whole shelled but unblanched almond to be buried in the pudding to bring special good luck to whoever finds it. My version is cold and creamy and I have scented it with lemon and cardamom.



Most shop-bought fruit jellies are too sweet and too stiff for my taste. Home-made redcurrant is what I use here. Cranberry, sour cherry, rowanberry or spiced crab apple jelly should also be good. How much you will need depends on the surface area of the glasses in which the pudding is served.

**2 oz pudding rice; 1 pt milk; the seeds from 6-8 cardamom pods crushed to a powder; the finely grated zest of 1 large lemon; 1 tablespoon sugar; ½ pt double cream; 2-3 tablespoons extra milk or yoghurt (optional); 1 shelled but unblanched almond; a jar of tart fruit jelly.**

Scald the milk with the cardamom in a heavy based saucepan. Trickle the rice into the milk and cook fast, stirring continuously, for 5 minutes.

Reduce the heat and simmer for 15 minutes, stirring every now and then, until the grain is soft and swollen and has absorbed most of the milk.

Stir in the citrus zest and sugar, and stand the rice pan in a bowl of cold water to speed cooling.

When the rice is cold, spoon 2-3 tablespoons of the surplus milk from it onto the cream. Or if the grain has absorbed all its cooking liquor, stir a splash of extra milk or a little yoghurt into the cream.

Whip the cream softly and fold the rice into it. Spoon the soft and creamy amalgam into individual glasses, slipping the almond into one of them in obeisance to Scandinavian Christmas custom.

Barely melt some jelly and spoon a little of it gently over the top of the rice to cloak it with scarlet – or to cloak it with gold in the case of spiced crab apple jelly. Chill until shortly before serving.

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# And then there were the peas . . .

*Restaurant correspondent **Nicholas Lander** reflects on the high and low points of a year's eating out*

The most exasperating experience: trying to book a table at Quaglino's in London's West End.

Having tried, and failed, many times to get through by telephone, I called personally at Quaglino's a month before I wanted a table. I was ushered to a woman who, having kept me waiting, eventually turned the bookings register to the date I wanted. Even upside down, I could see there was *only* one reservation for the night in question. I requested a table for 8.30pm but they did not want to please me, the customer, but to fill the restaurant when it was at its most quiet. She did offer me a table – but only at 6.30 or 11. I declined.

■ **The most depressing culinary experience: lunch at Simpson's-in-the-Strand.**

This was not, I assure you, because of the location or the service (although the wine waiter took at least 10 minutes to find the bottle we had ordered), but because of the peas.

This might sound petty but it is not meant to be. Simpson's is a great British institution, a wonderful place to take overseas visitors (I know of one French restaurateur living in London who makes a point of taking all his French friends there). With the renaissance of British produce and cooking, it is a potential flagship for all British restaurants.

When I sat down to lunch there late in November, I had no compunction in ordering their daily special, steak and kidney pudding served from the trolley. But, aside from the disappointing texture of the pudding and the undercooked boiled potatoes, I was surprised that instead of serving an inventive winter vegetable – parsnip chips, braised cabbage or carrot purée – along came peas.

Fresh peas in summer are wonderful; but in mid-November, and for this number of customers, they can only be tinned or frozen. Consequently, they were dreadfully bland, reminding me instantly of miserable school lunches.

Rather more significantly, they would give any overseas visitor the clear, but false, impression that British cooking had not improved at all.

■ **The most exhilarating gastronomic experience: Olivier Roellinger's cooking at Cancale, Brittany, northern France.**

Any weekend with a slightly sceptical wife (mine) in an unknown hotel in an area where the rain fell consistently from Friday morning to Sunday afternoon could end in disaster. But the view from our bedroom window across a bay full of oyster beds to Mont St Michel was so wonderful that it was sufficient compensation.

The bonus was Roellinger's superb handling and cooking of fish and vegetables from local fishermen and growers, and his treatment of the distinctive pre-salé lamb which grazes on the salt marshes.

It reinforced a growing impression that although British chefs are offering value as good as their French counterparts in the middle of the market, the finest French chefs (of whom there are only a handful) are still in a class of their own at the very top of the culinary tree.

■ **My biggest omission as a restaurant correspondent: not to have visited enough British restaurants outside London.**

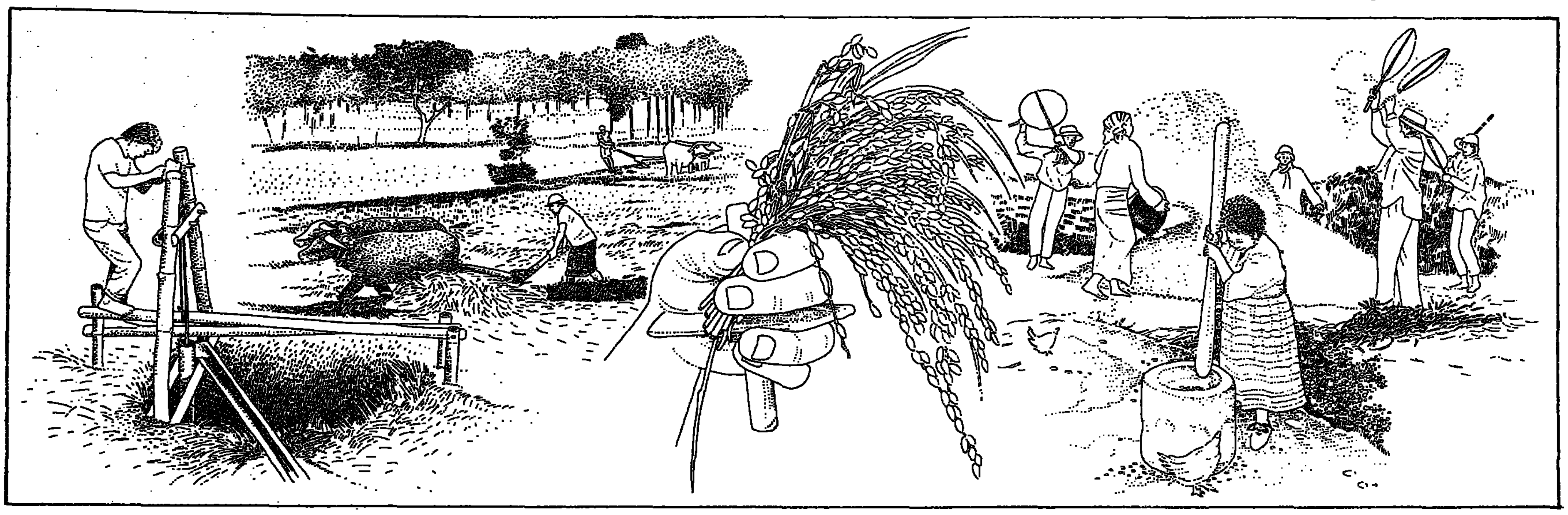
This has been almost entirely because of family commitments which have kept me in London, but it is an omission of which I am all too conscious.

It is not just because, as a Mancunian, I am aware of the perceived (and often real) pro-London bias in the media. (Several weeks ago, when I wrote a story on the top 30 young British chefs, we asked Christopher Chown from Plas Bodegroes in Pwllheli, Wales for a photograph. He was amazed – only London chefs, he felt, were featured in the national press.)

I also feel an obligation to readers *outside London, and to overseas* readers who visit the UK but may not want to spend too much time in the capital.

More importantly, I believe strongly that restaurants outside London have had three difficult years. Many have done well to survive. Those which flourish have done so only by trimming prices and margins and, in what are invariably small family businesses, their own pay packets.

There could be worse to come. A recent editorial in *Hotel & Caterer*, the restaurant industry's trade magazine, predicted a difficult 1994 as a result of the tax changes in the November Budget. It estimated that typical middle-income restaurant-goers would find their available spending money cut by up to £100 a month in 1994 – and that this would have wide repercussions for the eating-out market.



An illustration from The Rice Book, by Sri Owen. This is probably the most handsome cookbook of the year, with sound and clear recipes. Of special interest is the section tracing the history and future of the grain

# A healthy backlash against vulgarity

***Philippa Davenport** reports that cookbooks published in 1993 have been leaner, fitter – and a good deal more appetising*

John Major will be pleased to hear that, in cookbook circles at least, there is already a return to basics. This year, I have received far fewer than usual of those with acres of gratuitous technicolour pictures and overblown copy. In a healthy backlash against vulgarity, things are looking leaner, fitter and a great deal more appetising. To call this the year of in-depth probes into single foods could sound a mite worthy, *joyless and dull. In practice, it* is quite the opposite.

*A Celebration of Soups*, by Lindsey Bareham (Michael Joseph, £16), is an outstanding book; I would live happily on the recipes it contains. *The Bread Book*, by Linda Collister and Anthony Blake (Conran Octopus, £19.99), is splendid stuff, too. I wrote about both when they were published.

The new edition of *Jane Grigson's Fish Book* (Michael Joseph, £20) is compulsive reading. She was working on it shortly before she died and it incorporates additions and updates to nearly two-thirds of the original. Also, you can find your way around it much more easily now that the entries are alphabetical. Her greatest gift, perhaps, is the way she makes you feel you are sharing an experience together.

*Ices*, by Caroline Liddell and Robin Weir (Hodder & Stoughton, £18.99), is far-ranging and thorough. Sub-titled "the definitive guide," it is just that: a magnum opus answering nearly all the questions you ever wanted to ask about ice-cream. I say "nearly" because nowhere does the book tell me how to make those intriguing iced *petits fours* sometimes offered in restaurants – a scoop of sorbet barely larger than a mothball, enrobed with chocolate.

*The reason, the authors say*, is that these can be made successfully only with a commercial freezer. They know the answer but there was not room to publish it. And, anyway, after five years of research, they had enough material to write a book three times the published length.

Another simple title, another comprehensive volume: *The Rice Book*, by Sri Owen (Doubleday, £20). This is probably the most handsomely produced cookbook of the year. Nice size, good paper, a clean typeface and layout, plus attractive black and white drawings on the cover and inside by Soun Vannithone.

The recipes are as sound and clear as Sri Owen's fans have come to expect. This collection encircles the globe but – unsurprisingly, given her background – it is the Indonesian recipes that excite the most. What really grips me, though, is the first 100 pages tracing the history and future of rice – its varieties, nutrition, production, and the myth and magic surrounding the grain. Facts are presented eloquently and the layman is not blinded by science.

We learn that in Louisiana and New South Wales, germinated seeds are sown by low-flying aircraft straight into fields levelled by laser-controlled scrapers. Swamp or deep-water rices thrive in flood conditions near river mouths, able to grow 10-15 cm a day to keep pace with rising water levels. The unfurling of the flowers, 70 or so on a single panicle, sounds magical indeed. Rice pudding will never taste the same again.

Nigel Slater has produced another winner in *Real Fast Puddings* (Michael Joseph, £9.99). I am not sweet-toothed but the morning this one arrived, when I should have been concentrating on something else, I kept sneaking back to it. Slater has great flair for flavour combinations and he talks much sense. The book is snappy and fun.

Sophie Grigson, Jane's daughter, is another invigorating young writer. *Eat Your Greens* (BBC £15.99) is tailor-made for those who like to centre their meals on vegetables rather than meat or fish. Some recipes are rooted in tradition, others are surprising, possibly appealing more to young and adventurous palates than hidebound oldsters.

Rena Salaman's *Greek Food* (HarperCollins, £16.99) is gentler in tone and slower in pace. This appeared first as a paperback original in 1983 and has long been out of print. Now in hardback for the first time, it seems as fresh and evocative as ever. The original and charming line drawings are retained while the text is enlarged pleasingly, revised thoroughly and includes extra chapters cut from the paperback.

Gift market books have grown up this year. They were always small hardbacks, decorative and unlikely to burn a hole in your wallet. Now, some are real cookbooks in miniature, tasty little mouthfuls with which to woo a new audience into buying other, larger volumes of an author's work. Positively desirable are Anna Del Conte's very pretty quartet *Gli Antipasti*, *La Pasta*, *I Risotti* and *I dolci* (Pavilion, £5.99 each) and the Jane Grigson collections: *50 Soups* and *50 Desserts* (Michael Joseph, £6.99 each).

Above all, 1993 strikes me as the year of the paperback cookbook. Seldom has there been such a large and enticing crop of titles by top authors available simultaneously at such affordable prices.

Particularly irresistible are *Arabella Boxer's Book Of English Food* (Penguin £9.99); *Entertaining All'Italiana* and *Secrets From An Italian Kitchen*, both by Anna Del Conte (Corgi, £8.99 each); *Jane Grigson's English Food* and a compilation, *The Best Of Jane Grigson* (Penguin, £12.99 each); Margaret Visser's *The Rituals Of Dinner* (Penguin, £9.99); and M.F.K. Fisher's *With Bold Knife & Fork* (Pimlico, £8). Classics all.

Young writers are well represented with *A Feast Of Flavours*, by Annie Bell (Corgi, £5.99); *Sophie's Table*, by Sophie Grigson (Penguin, £8.99); and *Real Fast Food*, by Nigel Slater (Penguin, £5.99). This trio would make a marvellous starter library for any young cook about to set up kitchen. Shaun Hill's spirited *Quick & Easy Vegetable Cookery* (BBC) also is excellent.

*Because good eating begins with* good shopping, all cooks would do well to be armed with Henrietta Green's *Food Lover's Guide To Britain* (BBC, £9.99) and Glyn Christian's *New Delicatessen Food Handbook* (Good Food Retailing Publications, £9.95). But the Christian book is let down by bad production. The pages are trimmed atrociously, print and paper are poor, and Boyd-Harte's illustrations are ruined by crude reproduction. The text, however, is well-researched, wide-ranging, and written neatly – often, entertainingly.

After years of a culinary love affair with Italy, I find myself seduced once more by Gallic charms. Marie-Pierre Moine's stylish *Fast French* (Conran-Octopus, £15.99) boasts eminently cookable, eminently edible recipes. Mireille Johnston's *Cookery Course Part 2* (BBC) provides delicious back-up for her engaging television series.

Jeanne Strang's *Goose Fat & Garlic* (Kyle Cathie, £9.99) is relaxed and richly inspiring. Strang has spent part of each year for the past 30 soaking up the pleasures of south-west France. The place, the people, the food and the way of life come warmly through every page of her vivid and affectionate portrait.

Here is country cooking of the *first order, the sort of foods I love* best. This is the home of the goose, the duck, the pig, of prunes, truffles, mushrooms, chestnuts, walnuts and game. The more I dip into the book, the more addictive I find it.

Finally, I rejoice in the offerings of a publisher I have not seen before: Seriph, which has brought out *Cooking With Pomiane* and *Cooking In Ten Minutes* (£7.99 and £5.99 respectively) both by Edouard de Pomiane. He is an utter delight. You would have to be dull of soul not to have your spirits and appetite lifted by him.

Pomiane can be brilliantly practical. He is deft, witty, to the point. *His lightness of touch is a salutary* reminder that good food can be taken too seriously. Cooking should be fun.

# Everything you need to know about Alsace

*Although fewer wine books than usual were published this year, **Edmund Penning-Rowsell** recommends several that he feels merit bookshelf space*

The crop of new wine books this year is smaller than usual. Perhaps this *reflects the fact* that wine bookshelves are over-crowded already.

Perhaps, too, publishers have realised that even many frequent drinkers of fine wines are less interested in exploring their background than might be expected, even though this would add to their appreciation.

In *The Wines of Alsace* (£14.99, Faber), Tom Stevenson has compiled, rather than written, an encyclopaedic tome on this leading French wine region. Although imports to the UK have more than doubled in the past 10 years, they account for only 5 per cent of Alsace's total exports.

The book is constructed on a large scale. After the usual chapters on *terroir*, grape varieties and vinification, there are descriptions of each of the 118 wine villages, followed by detailed accounts, with maps, of the 51 *grands crus*. The appellation adoption that began in 1983 remains a source of controversy.

There are substantial chapters on named sites and varying styles of wine and the people concerned. The author discusses the wines of each grower. (He regards Trimbach's Clos St Hune as not only the outstanding Alsace Riesling but also one of the world's greatest white wines.) So many individual properties in the area make more than one type of wine that the number assessed is very large.

If the reader's thirst for information has not been slaked, there are assessments of vintages back to the Dark Ages, charts, tables and statistics – such as the number in the population speaking the local patois (75 per cent). But the visitor to one of the most attractive of France's wine regions can select the relevant information *without difficulty*.

Beaujolais vies with Alsace as France's most pleasant wine region; it is more rural and its lower mountains are more accessible. *Beaujolais*, by Michael Bullet (Thames & Hudson, £24.99), is essentially a picture book by the region's highly professional photographer, Pierre Cottin.

*The author's text is supplemented* by a former grower, Louis Brechard, and by Comte Henri de Rambuteau, the owner of Château des Granges who died before the book was published. It provides compelling reasons for visiting Beaujolais and trying its early-maturing, easy-to-drink wines.

With walking holidays in France *increasingly popular, it is appropri*ate to associate them with wine. Nigel Buxton's *Walking in Wine Country France* (Weidenfeld & Nicholson, £20) covers the eight main wine areas, from Alsace to the Languedoc. Full-page maps are accompanied by the relevant IGN map numbers for the walks themselves.

Each has an introductory section, *followed by the* author's own experiences on his walking tours, with a closing section on the region's wines. It is well-produced but essentially for advance planning, as its large format and weight would make it unsuitable for the rucksack.

Jane MacQuitty's *Champagne and Sparkling Wines* (Mitchell Beazley, £8.99) and Roger Voss's *Port and Sherry and Other Fortified Wines* (Mitchell Beazley, £8.99) both derive from the publisher's pocket wine *series* and have been expanded and updated into comprehensive, critical guides.

Indeed, their range, particularly MacQuitty's, describe world production of wines once associated with a single area. Only a a third of her book is about champagne, and more than 50 Italian wines are listed, while many fortified wines are now made in the New World.

For champagne alone, Don Philpot's *The Champagne Almanac* (Eric Dobby Publishing, £7.99) provides a compact alphabetical guide to every champagne house, with statistics, its label illustrated and notes on the varieties each markets.

Bob Thompson is a respected senior writer on US West Coast wines and his *Wine Atlas of California with Oregon and Washington* (Mitchell Beazley, £25) is a useful addition to this publisher's *series of* wine atlases. In addition to 36 district maps, the history and details of grape varieties and climatic variations are given for a series of wine-growing districts. All the vineyards of any significance are described under the controlled appellation, American Viticultural Area (AVA), with notes on the quality of each.

The section on Oregon and Washington is no less detailed. Washington produced its first wine, a Gewurtraminer, in 1967 and Oregon the first Pinot Noir in 1972. Travel information is provided throughout and every opening has an illustration.

*Grapevine*, by two well-known wine writers, Anthony Rose and Tim Atkin (Headline, £5.99) is a compendium of more than 2,000 mostly recommended wines in one or other of 24 supermarket and off-licence chains, arranged alphabetically, quality marked out of 20 and with value marked by pound signs.

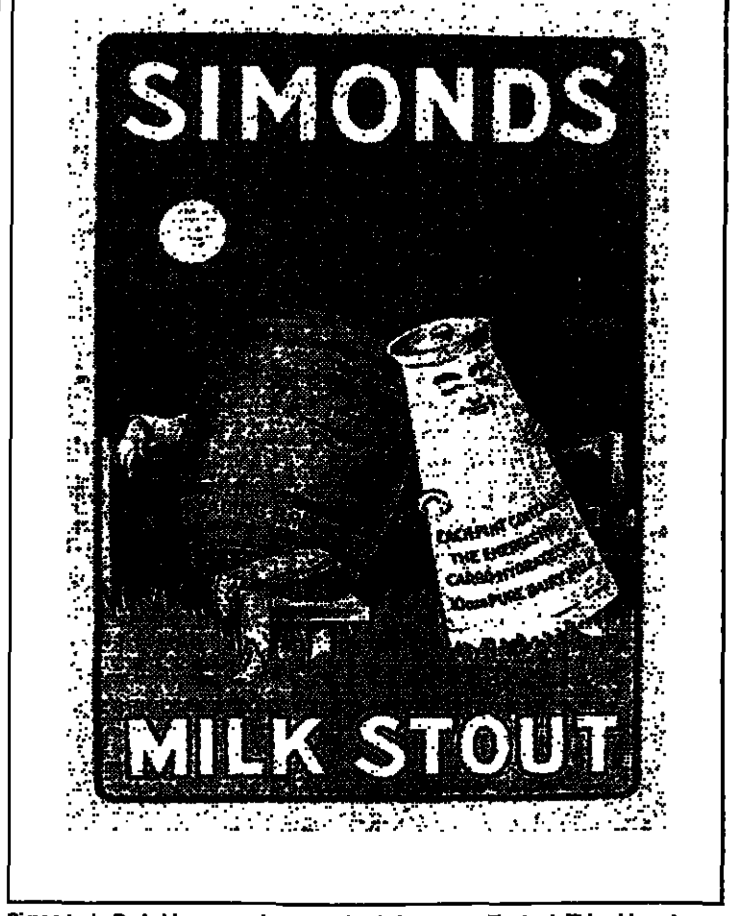
The wines were tested between last May and September, so a proportion is likely to go out of stock as 1994, which it covers, progresses. *Nevertheless* the breadth *of* selection is impressive and the comments on each wine succinct. But its claim to be "the complete wine buyer's handbook" for next year cannot entirely be maintained, as the independent private merchants' wines are not included.

Moreover, although some Bordeaux and Burgundy wines are *listed (mostly the less expensive), it* is not quite fair to write that they have "rested on their laurels for so long that they've forgotten what their customers want to drink."

In both regions, and particularly Bordeaux, very large investments and technical advances have been made in recent years, accounting partly for their cash-flow problems – and, after all, they produce some of the world's finest wine.

Robert Parker needs no introduction and the third edition of his *The Wine Buyer's Guide* (Dorling Kindersley, £30) first published in 1989, has now increased the number of wines assessed to more than 7,500 in a tome weighing more than 4lb.

His notes on estates, smaller growers' wines and vintage assessments are highly apposite but his ratings are regarded widely – at least on the eastern side of the Atlantic – as over-precise, for the development of the finer wines may be irregular.




Simonds, in Berkshire, was a brewery clearly keen on milk stout. This old poster, advertising its famous wares, is just one of the well-researched illustrations from Michael Jackson's "Beer Companion" (Mitchell Beazley, £19.99) an enthusiastic book for anyone who enjoys – or wants to know more – about beer

FASHION

# Best foot (fetish) forward

*Imelda Marcos had a shoe hoard which shocked the world. But, says **Brenda Polan**, some women understood why . . .*

The young woman in the wine bar was furious. Shoes were the problem. She had, she told her friends, searched and searched and not a shoe shop in London had anything for sale that she wanted to buy.

They were full of platforms; hideous, ugly, clumping, frightful, unsexy, horrid platforms. Nothing nice, she reiterated, as she gazed fondly at her well-polished spike-heeled courts, amid mutters of passionate agreement from the friends. One began to fantasise about a lynch mob teetering into London's stores to demand nice shoes. Lots of them.

Shoes can arouse strong passions. When the democratic masses liberated Imelda Marcos's formidable wardrobe in the presidential palace in Manila, they were deeply shocked by her 3,000 pairs of shoes.

For the Filipinos, and for the world those shoes became the symbol of greed and excess. But, as puritans, moralists and right-thinking people exclaimed in disgust, some remained silent. Many women could understand Imelda. After all, some knew that their own closets were crammed with shoes. Given Imelda's ill-gotten resources, who is to say that they too would not have managed to accumulate a similar number? Some women have a shoe thing. It is not really a guilty secret. It is just that talking about it tends to cause men a disproportionate amount of distress. But among themselves certain women are open about their shoe habits.

"I'm a shoe fetishist," says Elaine Paige, the singer. "I have a real fetish for shoes," says TV personality Gloria Hunniford defiantly. "I have a mega fetish about shoes," explains Ulrika Jonsson, a television presenter. "I'm a shoe fanatic," is how designer Edina Ronay puts it. "I'm a complete shoeaholic," jokes actress Kate Hardie.

"I've got about 25 pairs, not counting dancing shoes," says Darcy Bussell, the ballerina. "I have about 50 pairs," says actress Tara Fitzgerald. "About 100 pairs," guesses Gloria Estefan, singer.

"I own about 200 pairs," says Belinda Carlisle, also a singer, without hesitation. "Let's just say," says Charlene Tilton, a former star of Dallas, "that I understand Imelda. I have a whole wardrobe full of high-heeled shoes."

Greta Garbo once bought 70 pairs in the same style (but several colours). Marlene Dietrich, who had hers made to measure by Ferragamo, reckoned that, since a pair were worn out after two outings, a replacement had to be ordered immediately. Why, when women can be infinitely cautious and restrained when buying clothes, are they so inconsistent where shoes are concerned?

There are several practical explanations. Unless a shoe is made-to-measure, it is unlikely to fit perfectly. Those of us whose feet do not chance to match a manufacturer's last, are engaged on an endless quest for comfort.

Given a co-operative sales assistant, a woman can try every shoe in the shop in the time it takes to wriggle into three clothes outfits in a cramped changing room. And she does not have to address the fact that a dress size 10 no longer appears to accommodate her hips. One's shoe size remains reassuringly constant.

Then there is the fashion imperative. Or, as the shoe designer, Manolo Blahnik, puts it: "A fine shoe is an essential part of fashionable dress. It can provide an accent to an outfit – whether witty, solemn, provocative or simply elegant. Dress designers know that the right shoes are a crucial ingredient to a successful look."

And the wrong shoes can wreck an outfit. As fashion changes its proportions, every element of dress changes. The woman in the wine bar was wearing a tight mini skirt and a jacket with square shoulders. She had decided to pass on long skirts and the soft, slender outline of 1993, the look which demands clumpy shoes and looks frumpy with spike-heeled court shoes. So she was right about her needs.

Few of us are so impervious to fashion's swings. Most of us have clambered aboard a pair of platforms. So, to a certain extent, women's shoe hoards represent the detritus of their journeys along fashion's meandering highway. Not so much a problem of rampant acquisition as one of never throwing away.

And yet there is more to it than that. When pressed, some women admit to never wearing, indeed to never having worn even once, a high proportion of their hoard. Pressed to show and tell, these women will tenderly unwrap delicate, pointy-heeled confections of shiny leather, softest suede, satin, grosgrain, leopardskin print, brocade or lace, all in deeply impractical colours and adorned with bows, buckles, sequins, gilt or embroidery.

Women can use shoes to express (and then hastily banish to the back of the cupboard) a fantasy self. This self is simultaneously ultra feminine, fragile, refined and a total vamp.

Not that these shoes are the stuff that true shoe fetishists' (always male and usually masochistic) dreams are made of. They do not have to be. For reasons that psychiatrists, psychologists and fashion historians are all unable to fathom, the female foot and its shoe are erotically charged.

When, in the 1970s, William A. Rossi had a stab at solving the problem in his book, *The Sex Life of the Foot and Shoe*, he concluded that there were several factors at work. The intrinsic sensitivity of the feet (toe-sucking apart, has anyone tickled yours recently?) makes them an area of sensuality.

Then there's Sigmund Freud's argument that the foot is a phallic symbol. There is also the way high heels affect the wearer's gait and posture, emphasising the hips and buttocks, arching the back, thrusting the bosom forward, lengthening the leg, tightening the calf muscle and focusing attention on the ankle.

Fragile ankles and small feet are feminine and, in terms of dress, anything which reinforces gender differences is sexy. Unfortunately, nowadays most women have comparatively large feet and sturdy ankles.

Perhaps the endless quest for shoes is, in fact, the endless quest for ideally feminine feet and ankles.

But there is a new element. The female executive's 1980s "power" uniform was incomplete without her high, high heels.

As she strode out, hips swinging, she felt in control, autonomous, truly powerful. There is no rule that says you cannot invest an old accessory with new symbolism and then feel undermined when the symbol is snatched away from you.

Significantly, when the Michael Douglas character in *The War of the Roses* decided to whip his uppity wife into line, he invaded her punctiliously ordered closet and, leering horribly, sawed the heels off all her many shoes.

# Nights of languor, luxury and discomfort

*Shops are full of exotic nightwear. It's glamorous, but can you sleep in it asks **Lucia van der Post***

Have you had a good trawl through a posh nightwear department lately? If so you may wonder what kind of lives the buyers of such garments lead. Very different, I feel sure, from life *chez moi*. Sad, really, how underprivileged it makes one feel.

Here, in their beautiful profusion, are folderols to gladden the eye of any potentate: garments so wondrous, so exquisite, so vertiginously priced, that it would take a potentate to pay for them. But where are the potentates in my life? Nowhere to be seen, that's where.

Take (if you have £500 to spare) the pure silk softest rose-pink negligée, photographed right. Delicately, palely, ravishingly seductive, these are night-clothes waiting for Cecil B de Mille and his cameras, for smooth-browed suitors, for intimate little suppers of champagne and caviar, for standing about in looking lovely but they are not – perish the thought – garments conducive to a good night's sleep.

Photographer: Clive Warwick.
Stylist: Linda Leeming.
Make-up: Karen Miller for Rochas.
Hair: Gary Halliday.

But this does not mean they do not have a role. These are garments to keep some dreams alive, garments for the wives men wish they had, and just possibly for the wives they did once have, and most of us are given something like it at one or other of the Christmasses that punctuate our lives.

Mine, a specially winsome turquoise silk number, edged with exquisite lace, spends most of its life beautifully folded in tissue paper in a bottom drawer. I am never quite sure why I do not wear it more often but I suspect it may have something to do with the fact that it cannot go near the washing-machine and it takes a good hour and a half to iron.

Nightwear like this comes loaded with nostalgic references. It reeks of leisured evenings, of discreet help lurking in the background, of carefree distancing from domestic tribulations. It reminds us of those soft, sensuous pre-Lycra days, when nightdresses were made of fabrics that draped and fell and swished most satisfyingly.

Modern technology has produced materials that ape this kind of luxury very effectively – even when you *know* that it is not really silk you can hardly tell the difference. Not surprisingly, the place to find some of the best of the lookalikes is our chief knicker supplier (Marks and Spencer) but even grand emporia, such as Harrods and Harvey Nichols, offer good selections.

So beguiling is some of the nightwear that it is not surprising that the boundaries between what was once thought suitable only for the bedroom and what could appropriately enter the ballroom have blurred.

One of the most frequently spotted evening dresses this season has been a floaty M & S nightdress. Worn with leggings underneath (to preserve not just modesty but give it the fashionable layered look and an air of mystery) and some of Philippe Model's fabric shoes, it can look wonderful.

Some nightwear has got quite terrifyingly modern. Dolce e Gabbana, has produced a whole collection that is almost entirely – I ask you – black. Harrods, which has as comprehensive a department full of nightwear as you could hope to see, has gone big on designers this season and says that it has, in retail-speak, "been walking out of the department". This is something of a mystery to me, for if I had been unloading the delivery van, I would have dispatched it straight to separates (casual). There were some sporty-looking double-trousers (the top half of the trousers stops halfway down and longer length trousers peek out below) all in a tough sweatshirt material. I daresay that customers are finally taking that endless perky advice to think laterally and are wearing it down to the gym.

Some people's idea of boudoir chic revolves around the biggest most luscious white towelling robe of all (mine did until I had a close encounter with a health farm). Egeria, I am reliably informed, is the Rolls-Royce of white towelling robes. Soft, thick and luscious, Fenwick of 63, New Bond Street, London W1, says it sells masses of them all year round, even at £215 a time.

Even more luxurious and imbued with the understated sexiness that menswear often confers on women, is a pure soft cashmere dressing-gown. Pringle does them in a host of colours, and though at £747.50 they are even more expensive than the rose pink silk, they do at least keep you warm. For those spending long weekends in draughty country houses it may well be a necessary investment (save on BUPA *and* the central heating).

If those prices send you into a tailspin then a good troll through a store such as Fenwick will produce plenty of less expensive solutions to the search for a little night glamour. M & S has done its customers proud this winter. It offers classic pure silk cream pyjamas – *very* Katharine Hepburn – at £60 a pair and a matching beautifully plain long silk wrap for another £60.

For those who aim for a clean-scrubbed, wholesome look rather than world-weary glamour, tartan could be the answer. It does look effortlessly chirpy. At Harrods, the tartan nightshirt featured in its catalogue and selling at £49 has been one of the winners of the season. M & S (again) has a big selection of checks and tartans. For a more sportif sort of look there are red-based tartan pyjamas at £25 and a matching dressing-gown at £35.

Of course, if all she wants is something comfortable to go to sleep in, then it is hard to beat a capacious T-shirt. But let her buy that for herself – a T-shirt under the tree is not, I think, conducive to a harmonious festive celebration.

Languid glamour in a 100 per cent negligée set by Saxon, £500, available from Harrods

Cool and classic in an ivory silk robe by La Perla, £310, with matching pyjamas, £299. In ivory or black, sizes 10 to 16. Available from Harrods of Knightsbridge

Transatlantic chic in a silk ruby-flecked robe by Fernando Sanchez, £339. Worn over black Sanchez pyjamas, £219 from Harrods. Fireplace decoration by Cameron-Shaw, 279 New Kings Road, London SW6

It wouldn't look better on a man! Dominique soft blue double cashmere dressing gown, £747.50, from Pringle of Scotland, 93 New Bond Street, London W1. More stockists ring 091-493-2727. Worn over midnight blue strapless bra £13.99 and briefs £7.99, both by Berlei. For more stockists ring: 0525-850-088

Crisp and cheerful in a navy check dressing gown by Marks and Spencer, £35. Fabric 67 per cent polyester/33 per cent viscose, available at major branches of M & S nationwide

The portrait of Rei Kawakubo in Weekend FT December 4/December 5 should have been credited to Timothy Greenfield-Sanders and the picture of Christy Turlington to Steven Meisel.

SPORT

**Financial Times** Round the World Ski Expedition / **Arnie Wilson**

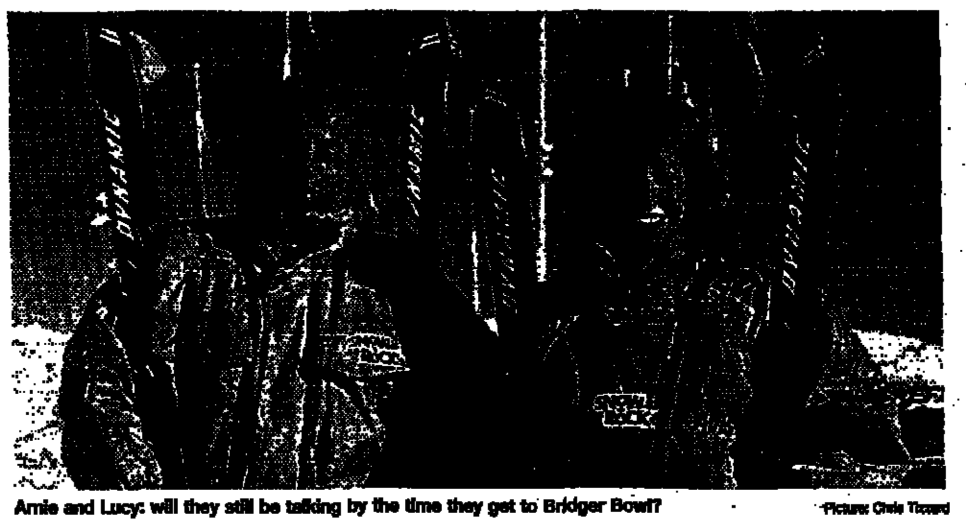
# Skiing every day for a year – can it be done?

Skiing a Himalayan glacier in the middle of the night might sound like madness – or smack of unnecessary bravado. But it is going to be vital during the *Financial Times* Round the World Expedition if we are to ski every day and still make it from one resort to another.

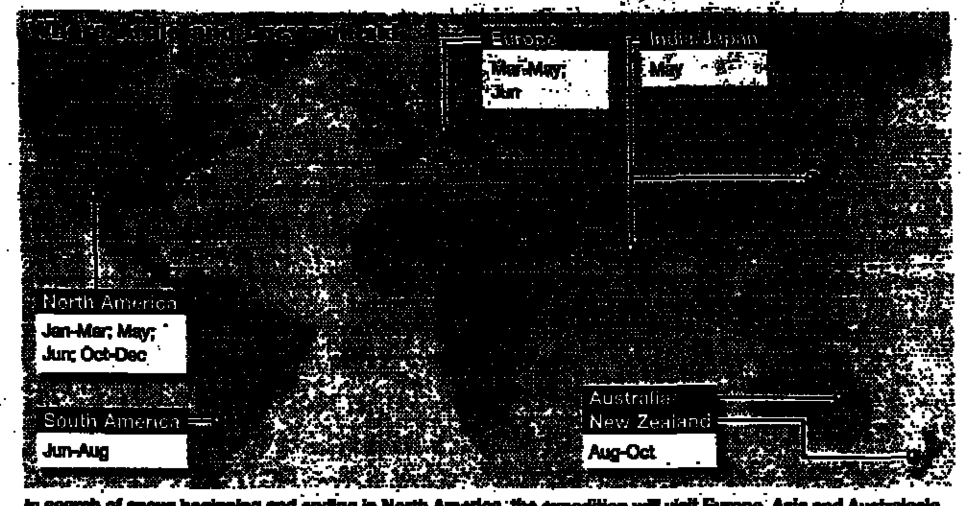
Our expedition timetable is littered with logistical problems, such as how to get from the Himalayan slopes to Tokyo via Delhi on a hot May morning so that we can ski the next day. But once Lucy Dicker, my skiing companion, and I decided to ski for 365 consecutive days, such difficulties became inevitable.

Skiing every day is a tall order, but if necessary we will ski first thing in the morning, then travel all day and all night, and again the following day to reach our next resort. We will certainly be skiing every morning before we leave a resort in case an accident or road blocked with snow throws us off schedule.

We are not trying to ski every resort in the world, nor to ski in a different resort on each day – even if we had skied every known slope in the southern hemisphere, there would still have been a gap while we waited for the snow cannon to start churning out the artificial variety in Colorado or Vermont.



Arnie and Lucy: will they still be talking by the time they get to Bridger Bowl? Picture: Chris Tizzard




In search of snow: beginning and ending in North America, the expedition will visit Europe, Asia and Australasia

So we have settled for skiing every day – but not necessarily in a different resort.

Cross-country skiing will only be permissible in an emergency; skiing on grass will only be tackled as a last resort; if our Tahiti connection between Santiago and Auckland fails to materialise, we might even have to waterski.

Readers can become involved too, as we will be taking altimeters, speedometers and mileometers to keep a record of our progress and provide data which will form the basis of reader competitions with prizes including magnums of rosé champagne, ski holidays and ski clothing.

Some people who are aware of our skiing odyssey, which begins in Jackson Hole, Wyoming, on January 1, believe we are on a hiding to nothing. Others are profoundly jealous as we embark on what one colleague has described as the "world's longest freebie". Both may be true.

Miss Dicker prefers to think she has joined an expedition straight out of the pages of a Boy's Own adventure book. Born in the south of France, she has been a staunch Anglophile since she moved to Britain 21 years ago. She has thrown caution to the wind and given up her job to share this adventure.

With her Provençal flair and efficiency, Lucy has borne the brunt of the planning. No doubt we shall endure our normal share of problems, ailments and disagreements: even during the planning stages, Lucy and I have made blunders and enjoyed a few rows. One resort – Bridger Bowl in Montana – has even been taking bets on whether Lucy and I will be speaking when we arrive there in February.

During the next year we shall struggle breathlessly in the mighty Himalayas, weave our way down the busy slopes of the Japan Alps, gaze in wonder at the awesome Canadian Rockies, marvel at the remote wilderness of the Andes, hear the squawk of Crimson Rosellas in the snow-clad eucalyptus trees of the snowy mountains in New South Wales, and ski among the seagulls amid the maritime peaks of the New Zealand Alps.

The idea to ski the world grew out of an article I wrote for *Vogue* a few years ago when I invented a maiden aunt, Charlotte, and, with the help of an imaginary legacy, skied the world.

Prompted by the thought of spending my forthcoming 50th birthday somewhere exotic, we thought we might as well spend the whole year on skis.

Originally, I would have spent my milestone birthday in February in Bruce Mound (unkindly dubbed Pimple Horn by a colleague) in a remote part of Wisconsin. I was curious to see it because of its unusually brief vertical drop: 200 feet from top to bottom.

But we decided that Bruce Mound might have proved to be an anticlimax: instead we will be in Summit County, Colorado, skiing the likes of Breckenridge, Copper Mountain, Keystone and Arapahoe Basin, which together form the Ski the Summit area.

The grand finale – if we make it – will be at Jackson Hole, where the resort's chief executive, John Resor, is preparing a welcome party at his ranch on January 1, 1995.

■ The telephone number for FlexiSki, featured last week, should have read 071-352 0044.

■ *Next Saturday: Arnie's first expedition report, plus reader competitions*

*In sport, many of the 1993 records were set at the bank.* ***Peter Berlin*** *looks at the year's big names and numbers*

# The winners in the money game

This has been an excellent year for English football. Ask any club bank manager. The national team failed to qualify for the World Cup finals. Only one British club, Arsenal, is still in a European competition. But by any commercial measure it has been another good year. For English football the recession never happened.

Since the old first division split from the lower three divisions in 1992 to form the Premier League, the Premiership clubs have exploited their marketing opportunities with unprecedented efficiency. Meanwhile, the jilted clubs of the Football League have more than made up for lost revenue. Even England's elimination from the World Cup provides clubs with an opportunity; one commercial director said he believes some of the money earmarked to sponsor the England team in the US will be redirected to club football.

Before 1992 all four divisions were covered by a £44m four-year deal with ITV. In 1992 the Premier League signed a five-year contract worth £304m with BSkyB and the BBC. Meanwhile, the Football League signed one of its own with ITV and this year its broadcasting revenue is £8.9m. The sponsors have followed. In 1992 the four divisions shared £2m from Barclays Bank. This summer the Premiership signed a £12m, four-year deal with Bass, the brewers, and the Football League signed a contract worth £1.5m per annum with Endsleigh Insurance, to give it total sponsorship revenue of £2.7m a year.

The clubs have coped well with the demands of the Taylor Report on ground safety, chiefly because they have found someone else, the Football Trust, to foot the bill. The Football League clubs have spent £75m on ground improvements, 75 per cent of which has been grant aided. The number of seats in the three lower divisions rose from 293,000 in 1990 to 455,000. By next season, when fans at Premier League and first division grounds must all be seated, England and Wales will have the largest collection of modern stadia seating 20,000-plus outside the US.

Clubs in the lower divisions have until 1999 to meet more lenient conditions, but their costs are daunting – estimated at £200m by the Football League – especially if the national lottery bites into the pools companies' income and the £45m a year they pay to football, £37m through the Football Trust.

Steve Morton/Allsport
In the money: Ryan Giggs signed a new contract with Manchester United and one with Reebok in 1993

More seats mean increased revenue: the cheapest seats at English grounds cost as much as 50 per cent more than a standing ticket. The fans are paying more and more, yet attendances climbed in every season from 1985-6 to 1992-3, from 16.5m to 20.66m, and are up by 8 per cent in the Premiership and by 3 per cent in the Football League this season. Most clubs have also installed executive boxes and upmarket catering facilities to increase revenue further.

The old army of working-class fans, which would fill English football's uncovered terraces in all weathers, has gone the way of the cloth cap. The football fan has long since moved to Essex and only now is English football catching up with him and his wallet. The question is whether the clubs, having moved upmarket, dare abandon their "pile them high, sell them cheap" approach to fixtures, drop some of their shoddier competitions and play fewer league games to trim their destructive fixture lists.

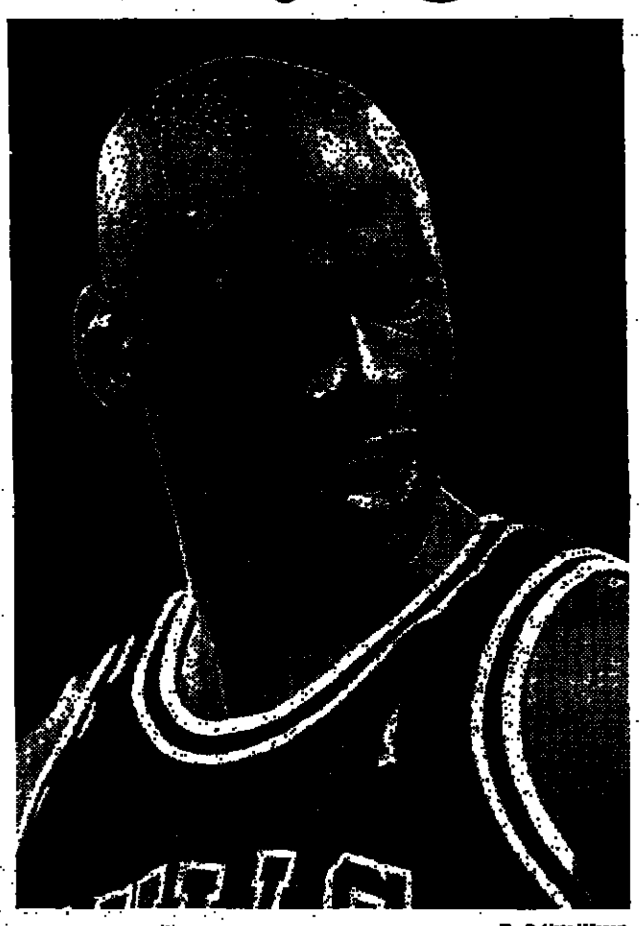
In part, the smaller clubs are thriving by accepting their second-class status. Clubs wear their commercial status on their shirts. Smaller teams are sponsored by district councils, local building societies and radio stations. The top Premiership teams are sponsored by national beer brands or international electronics goods companies, investing in teams with national or international profiles. These clubs have been the biggest financial winners.

In 1989 Liverpool were on their way to the league title, turnover was £4.77m and profits £145,000. In 1993 the club was mid-table but turnover was £17m and profits £1.6m. Between 1990 and 1993, Manchester United's turnover rose from £11.6m to £25.3m. United's aim is to match Barcelona's reported turnover of £60m.

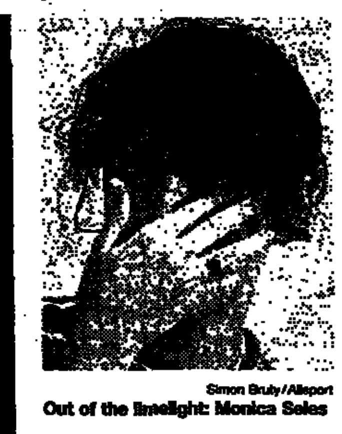
The key is Europe. If United win the league they will gain a bye to the divisional stage of the revamped European Cup and at least six matches against Europe's best teams. This season ITV paid £1.3m to screen United's four early-round matches in the European Cup. Next year ticket and TV revenue at each home game could add up to £1m. United will use the cash to augment a large, highly-paid squad of players – topped by the British record signing, Roy Keane, bought for £3.75m, paid an estimated £6,700 a week.

For the moment, the biggest clubs are being helped in this by another growing source of revenue: individual sponsorship for their most exciting players. This year Ryan Giggs of United signed a £300,000 contract to wear Reebok boots. He can expect to stay with Reebok for his entire career. Things will become interesting when the desires of his two paymasters no longer coincide.

For now, as the club chairmen and their sponsors, accountants and bank managers gather in the hospitality lounges of England's football grounds over Christmas and look out on the executive boxes and luxury seats filled with more accountants, bank managers and sponsors, the toast will be for a New Year as prosperous as the old one.



Tim Defrisco/Allsport
In the spotlight: Michael Jordan took the money and retired



Simon Bruty/Allsport
Out of the limelight: Monica Seles

It was the year of the big pay day. It was the year Linford Christie was paid £100,000 for a meaningless 100m race with Carl Lewis.

It was the year Lennox Lewis won the WBC world heavyweight title the smart way, without throwing a punch and became Britain's highest-paid sportsman. He earned £3m for beating Frank Bruno, who appears more often in panto than in the ring, and £6m for defeating Tony Tucker, who ought to follow Bruno's example. Evander Holyfield and Riddick Bowe shared $15m when they fought for the WBA and IBF titles. Lewis and Holyfield may split a far larger purse in 1994. The winner will then try to hang on for the biggest pay-day of all when Mike Tyson's six-year prison sentence ends.

French police found FFr250,000 buried in the garden of the mother-in-law of Christophe Robert, a Valenciennes player. Robert said the money was a bribe to lose to Marseilles. Marseilles became the first French club to win a European trophy but was then thrown out of this season's Champions Cup and Intercontinental Cup.

The New Zealand Rugby Union said it would try to provide its top players with £30,000 a year and the Welsh Rugby Football Union and Swansea found a job for Scott Gibbs who was talking of turning professional.

But in the year of the big cheque, the biggest earners in men's and women's sport left the stage.

Monica Seles won $2.6m in 1992. She was on the way to passing that total when, at a tournament in Hamburg in April, she was stabbed by Gunther Parche, who wanted Steffi Graf restored to number one in the rankings. The injury required one stitch but damaged the shoulder muscles of Seles' playing arm. Parche received a two-year suspended sentence. Seles has not played since. Rumour surrounds her: is she psychologically scarred? Is she using the injury as an excuse to allow her battered knees to recover? Is she secretly turning herself into a serve and volley player? Seles plans to make her comeback in January at the Australian Open.

Michael Jordan who earned an estimated $36m this year, retired "for now" in October.

In June, Jordan led his "supporting cast", the Chicago Bulls, to its third consecutive National Basketball Association title. In August, his father, James, was killed, apparently while being robbed. Then Jordan's gambling, frowned upon in US sport, became the subject of investigation after a golf partner wrote a book dedicated to the size of Jordan's bets.

For a man whose greatest quality was his willingness to take responsibility on court when the spotlight was most intense and who is paid an estimated $28m a year to be the public face of, among others, Nike, Gatorade and McDonald's, life under the unrelenting scrutiny of the US media seemed to have paled.

Even though Jordan is not playing, the Bulls are said to be paying $3.9m of his contract this season. It means that, under the complex NBA complex rules, the Bulls would be able to play Jordan should his competitive nature draw him out of retirement.

The biggest stocking filler of all was announced this week. In the US, Fox Network won the television rights to the National Football Conference,the older of the National Football Leagues' two divisions. CBS had broadcast NFC games for 38 years, but could not match the $1.56bn (£1.06bn) four-year bid by Fox, seen as a down-market interloper by its rivals. This may ring a bell with UK soccer fans, but then the largest shareholder in BSkyB is Rupert Murdoch who owns Fox. He makes an unlikely Santa Claus.

# The Chinese puzzle

In September the sporting world orbited around Beijing. In part this was predictable. The long campaign to host the 2000 Olympics was a battle between the pro and anti-Beijing factions. At the vote in Monte Carlo on September 23, Beijing lost to the white-bread candidate, Sydney, 45-43.

The explosion of records set by Chinese women runners in Beijing over the preceding fortnight may have been calculated to win votes by confirming China's emergence as an athletic power. Instead they brought accusations of cheating. As Linford Christie said: "The world of athletics has gone mad. Everyone thinks everyone is taking drugs."

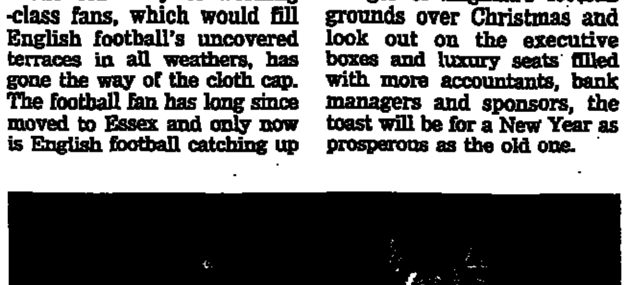
On September 8, Wang Junxia cut 42 seconds off the women's 10,000m record. On September 11, Qu Yunxia won the 1,500m in record time. Wang, second, also beat the old record. On September 12, in the 3,000m heats, Zhang Linli broke the world record, then Wang broke the new record by nearly 10 seconds. The next day she broke that record by six more seconds.

The wins were greeted with disbelief. "Here is a 20-year-old coming out of the blue. It goes against everything in athletics. You train to progress and get better. There is no progression with the Chinese. It doesn't make sense," said Lynn Jennings, three times the world cross country champion.

The Chinese runners are members of a team coached by Ma Junren. Ma's army often runs a marathon a day. Ma's regime emphasises posture and diet, which includes caterpillar fungus tonics and soft-shelled turtle blood.

Distance running has been largely free of drugs because bulk steroids hinder sprinters. Runners need to increase their blood's ability to carry oxygen. One way to do this is to train at altitude. Ma's athletes do a lot of this.

But many have sought other explanations. Some suggest blood doping. Blood is drawn from the athletes and stored. Before a race the blood is re-infused, increasing the concentration of blood and its capacity to carry oxygen. Others worry that the Chinese are using a synthetic hormone developed for kidney dialysis patients which stimulates the creation of red blood cells.



John Gichigi/Allsport
The great leap forward: China's Wang Junxia (left) and Qu Yunxia

It may be that the Chinese have learnt from the old Eastern bloc: the art of selecting athletes at a young age. Since China has one fifth of the world's population such an approach would inevitably yield results. The logical first target would be the softest set of athletics records, in the events with the shortest history and low numbers of world class participants: women's distance running.

# The things they said

I used to quite like turnips. But now my wife refuses to serve them. Graham Taylor, former England manager.

There probably were three countries in the world who would have caused us logistical and security problems – Iran, Iraq, and England. Alan Rothenberg, chairman of the US World Cup organising committee counts his blessings.

They will be remembered mostly as a dirty side. That is sad for them but they deserve it. Some of their play has been beyond the conventions we obey and I feel sad about the damage they have done to rugby's image. Will Carling, England captain, on the All Blacks.

It is comic. We have millions and millions of athletes. Primo Nebiolo, head of the IAAF, on the threat by US athletes to boycott the Stuttgart World Championships over prize-money.

Anybody good enough to win one already has one. Michael Johnson, US sprinter, on the IAAF's offer of a Mercedes for each winner.

Pete Sampras on why he walks around court with his head down: I'm looking for money.

I never thought the day would come when I would be paid to wear sports gear. Ryan Giggs on his £300,000 deal with Reebok.

I used to think the construction industry was bent but I was shocked by what I saw in other football clubs. Football seems to be bent from top to bottom. Luton chairman David Kohler.

As the manager of the national team you know that, apart from the chancellor, you'll probably be the most hated person in the country. Ossie Ardiles on why he does not want to manage England.

They've been loyal to me. When I came here they said there would be no money and they've kept their promise. David Basset, manager of Sheffield United.

What else am I going to do, be a nuclear scientist? Mike Tyson on his plan to resume boxing when he is released from prison.

Parachuting has become almost too safe. We are taking the fun out of the sport. Kevin McCarthy, instructor.

# A safe, content Club Med virgin

*Michael Thompson-Noel in a village of the future*

The swimming pool at the Palmerale, Club Med's sports ranch in Marrakech

I wouldn't be surprised if some time next century millions of people lived in villages modelled on the Club Med principle. Bright, shiny living space surrounded by exotic greenery. Excellent food. Non-stop sport, for the sportingly inclined – although none of it compulsory. Young and personable minders. Night-life every night. And the happiness and sense of safety that come from being cocooned in an environment from which the realities of the outside world are strenuously excluded.

Until last September, I was a Club Med virgin. I had not visited a single Club Med village, though there are enough of them about, from Morocco to Malaysia, Mexico to Mauritius. If you had stopped me in the street and asked me what I thought Club Med signified, I would have said that I imagined it attracted the bronzed and the beautiful: swingers in their 20s wearing spangled g-strings with nothing on their minds but water-sports and sex.

I would have added that I thought that most Club Med villages comprised palm-thatched huts set by a lagoon and that a Club-Med holiday was a relatively expensive one.

I would have been almost entirely wrong.

For a start, the average age of Club Med guests (says Club Med) is 38. Some Club Med villages attract a younger clientele than others. But the three I visited last September – all in Morocco: Marrakech, Ouarzazate and Agadir – were not in this category. The average age of those present was almost certainly over 40.

Swingers in spangled g-strings? Well, perhaps one or two. Most people seemed quite normal. The clientele was predominantly French – one Frenchwoman with whom I played tennis in Marrakech was on her *22nd* Club Med holiday – but there were also plenty of Italians, Germans, Scandinavians and other Europeans, plus a sprinkling of British – even a few Americans. Perhaps the British worry that the Club Med atmosphere will prove oppresively Gallic. But it doesn't; so they shouldn't.

Palm-thatched huts? Some Club Med villages *are* built next to lagoons. But this palm-thatched business is a figment of my imagination. What impressed me most about my visit to the Club Med establishments in Marrakech, Ouarzazate and Agadir is that Club Med is, above all else, a hotel operator of the utmost professionalism.

There is nothing formulaic about Club Med properties, which offer marked differences in style and atmosphere. In Marrakech, the Club Med property is very much an enclave, sheltered by high walls, close to the old city. In Ouarzazate the Club Med property is not an enclave at all but a small and modern-looking hotel built on a bluff with spectacular views across the valley of the Oued River. In Agadir, the Club Med "village" is a large resort-hotel of considerable style and comfort built parallel to the beach.

Expensive? Not at all. The key, as always, is value for money. As Club Med itself says: "You may think that Club Med costs more than average, but…bear in mind that many all-in package holidays are seldom as all-in as they appear and people often end up spending almost as much again on extras.

"Club Med, however, really is all-inclusive. Apart from bar drinks, excursions and other optional extras, our prices include full board, meals with wine, insurance, sports tuition, return flights and transfers (unless you make your own travel arrangements), children's clubs, evening shows and nightclubs. Your choices become a matter of inclination, not a series of purchasing decisions."

All perfectly true. For instance, Club Med offers excellent sporting facilities, especially for water-sports, tennis and golf. (Green fees are an extra). In Agadir, playing tennis at the club's immaculate sports ranch, 5km from the village, I unluckily tore a calf muscle while playing in a tournament.

With great stoicism, I got aboard the shuttle bus and returned to the village where I received prompt medical attention. I was on crutches for three days. There was no charge for this attention, and the nurse told me that Club Med's insurance would cover things if, back at home, any mischance stemming from the injury should happen to cramp my lifestyle.

For 1994, prices per adult per week for those travelling from Britain start at £495 all-in (Marrakech), £605 (Ouarzazate) and £659 (Agadir). The company has a special brochure for Morocco. You can combine a stay in Marrakech with one in Ouarzazate by travelling via Paris. And long weekends can be booked at the Agadir and Marrakech clubs – three nights, Thursday-Sunday – with next year's prices starting at £351 per adult in Marrakech and £416 in Agadir.

Considering what you get, these prices are extremely competitive. Obviously, the further afield you travel, the greater the charge, but a glance through Club Med's 1993-94 winter sun brochure reveals plenty of attractive deals. Examples: seven nights in the Maldives next month, £1,320 per adult; in Guadeloupe, £1,257.

There is also a Club Med skiing programme featuring 19 hotels in France, Switzerland, Italy, the US and Japan.

Was there a downside to my holiday in Morocco? I can recall only one. In Ouarzazate and Agadir, swimming towels were provided free; in Marrakech, not. At the sports ranch in Marrakech where you go to do your swimming, I had no choice but to pay £25 for an especially unluxurious towel, which pleased me not a lot.

■ *Michael Thompson-Noel was a guest of Club Med. In London, brochures and information: Club Med, 106-110 Brompton Road, SW3 1JJ. Tel: 071-225-1066. fax: 071-581-4769.*

# The bloody path to Colombia's Lost City

*Nick Skinner ventures where even the conquistadors feared to tread*

Grave robbers who pioneered the route to Ciudad Perdida, Colombia's Lost City, called it the "Green Hell." They hated the swarms of biting flies, venomous snakes and daily torrential downpours. Following their footsteps through the Sierra Nevada de Santa Marta, it is not hard to see what they meant.

The sierra, the highest coastal mountain range in the world, rises to a height of nearly 19,000ft just 26 miles from the Caribbean near the port of Santa Marta. Thick rainforest covers the wet northern slopes where the ancient Tairona civilisation built Ciudad Perdida. Unless you can use a helicopter, fighting your way through is the only way to see the city.

The mountains are scarred with deep valleys that make travel, even on foot, extremely hard. When we were not scrambling up one muddy path or sliding down the next, the incessant afternoon rains ensured we were ankle-deep in a quagmire. The intense tropical heat and high humidity made almost every step feel like a major achievement.

So impenetrable is the sierra that even the iron men of the Spanish conquest scarcely ventured in, allowing life for an estimated 11,000 Kogui Indian inhabitants to continue virtually unchanged.

The Kogui possess probably the best preserved pre-Colombian culture outside the Amazon, and still maintain a rigid theocracy. For them the sierra is the Heart of the World, a protective wall of jungle cutting them off from the 20th century. The fertile but inhospitable mountain fortress has allowed them to maintain their independence while other tribes suffered centuries of persecution at the hands of the *conquistadors*.

The Kogui claim to be the direct descendants of the Tairona, some of the best goldsmiths of ancient America, who began work on the Lost City around 600AD. The city had grown to a metropolis of 2,000 people by the time it was abandoned after the conquest, and the ruins remained hidden in thick jungle until grave robbers arrived in 1975.

The robbers kept the find a secret until feuding led to a murder at the site. The authorities were called in and Ciudad Perdida, the largest archaeological find in the Americas this century, was flung violently back on the map.

It is fitting for a country so steeped in bloody history that one of its greatest archaeological treasures should have been unearthed amid murder and theft. Equally fitting is that one of the two routes to the city was until recently a drug route.

Both paths, the 80-mile round trip taken by the grave robbers and the drug runners' 50-mile short cut, are fast becoming as much of an attraction as the Lost City itself. We took the shorter route, which required five rather than six days' walking.

The first night was spent at one of the impoverished peasant farms en route and the other nights in hammocks hung from simple jungle shelters. The hammocks were surprisingly comfortable, and we rocked to sleep to the music of night insects as fireflies flashed in the trees.

At first light our guides woke us to a usually inedible breakfast of *arepas* — fried maize flour patties – before leading us through rainforest in which creepers and air plants hung from giant trees while the mass of emerald green undergrowth was broken here and there with passion fruit, banana and coffee trees.

Battling through this botanical wonderland for seven hours a day is hard work. But there can be few rewards more welcome than emerging from the forest, sweating and aching, to plunge into one of the cool rivers which cross the path.

The rivers crash down from the glacial heights of the sierra to the Caribbean through a series of spectacular rapids and waterfalls. Strewn with granite boulders, they could have been in Scotland were it not for the overhanging creepers and dense vegetation.

High above in the forest canopy birds kept up a constant chorus, tantalisingly hidden in the foliage; below, huge butterflies and deadly (but thankfully shy) coral snakes were seen.

It was with relief that we arrived at the icy waters of the Rio Buritaca, unscathed except for insect bites, to start the final crossing to Ciudad Perdida. Across the swirling waist-deep water the moss-covered steps leading to the city appeared as if from nowhere, only to disappear again up the thickly-forested slope.

The 1,260 steps to the city are treacherous, many having been washed away by centuries of tropical rain. The stairway was a tough final endurance test. But just as our legs told us we could go no further, the path widened into the broad ceremonial staircase which leads through the heart of the city.

The thatched wooden homes of the Tairona have long gone. All that remains is the vast series of circular terraces on which they once stood. The site, 3,600ft above sea level, is criss-crossed by a network of tiny paths which can still be followed for miles into the jungle.

On a high ridge in the centre of the city stand the majestic platforms once used for public meetings and ceremonies; now, helicopters occasionally land on them. Jungle presses in from all sides and still covers most of the city. Even in those parts which have been cleared, the tallest trees remain, an eerie reminder of the jungle's supremacy over man's work.

Archaeologists have found few clues about life in the city or why the Tairona left. Even the city's original name is a mystery. But it is believed to have been abandoned in the early colonial period following battles with the Spaniards and the spread of European disease. Researchers have found little gold, and the grave robbers who have long since sold their finds are no longer keen to discuss them.

The only other people who may know – the Kogui – are also keeping quiet. They are a deeply private people who just about tolerate walkers but do not want to discuss their history. To them, archaeologists are no better than grave robbers: both groups defile the tombs of their ancestors.

Dressed in coarse cotton smocks, they walk the paths of the sierra regarding modern man as their younger brother, spiritually immature with little respect for the environment or history of their mountains.

Sitting high on a ceremonial terrace watching a toucan flit from tree to tree it is easy to see why the Kogui want to preserve their isolated world. While biting black sand-flies left bleeding wounds and the steep jungle paths tested our endurance, the view from Ciudad Perdida was of a pure, natural world of bright birds and waterfalls, as fresh as the day the Tairona left.

■ *Nick Skinner travelled independently to Bogota from where he flew with Avianca to Santa Marta. He found a guide through the city's tourist information office, and bought a package that included guiding, food and portering of everything except clothes and personal belongings. Helicopter tours with Aviatur can be booked through travel agents or at the airport.*



## Motoring/Stuart Marshall

# Another vintage year ahead

Never mind the recession that has blighted sales of new cars in every European country except Britain. This year's vintage crop of new models looks like being followed by an equally bountiful one in 1994.

When the Detroit motor show opens in a fortnight, Saab will unveil three-door, fixed-head coupé and two-door, convertible versions of its well-received new 900 five-door. There will be a choice of three engines: a 155 horsepower 2.3i, a 175 hp V6, and a 190 hp two-litre turbo. British sales start next spring and prices will be announced nearer the time.

Saab was astonished by the success of the present soft top, based on the old 900. Although introduced as a limited edition seven years after the original 900 was launched, it took off like a rocket and is still selling well.

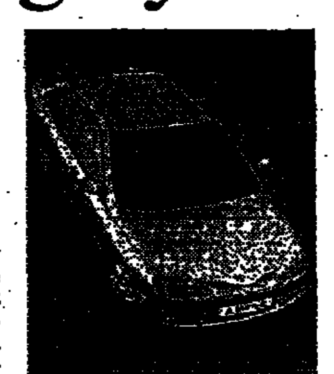
A proper four-seater with a realistic boot, it has a power-operated top that disappears completely and a glass rear window with defroster. But the new one will be even better and promises to be a best-seller among convertibles.

The big Vauxhall Carlton (Opel Omega outside Britain) saloons and estate cars are being replaced early in the new year. Their successors – Omegas, whether badged as Vauxhalls or Opels – retain rear-wheel drive and will be in British showrooms next spring.

Omegas will major on safety and security. Most will have airbags for drivers and front passengers and remote deadlocking of the doors, plus an immobiliser with 69 bn combinations; enough, one would think, to defeat even the highest of high-tech thieves.

Petrol engines (all multi-valve) will be a 136 horsepower, two-litre four-cylinder, and a pair of V6s – one a 2.5-litre producing 170 horsepower, the other a 210 hp three-litre. The veteran General Motors 2.3-litre, four-cylinder diesel is being replaced by a BMW-sourced 2.5-litre, six-cylinder with turbo-charger and intercooler.

This engine – which is expected to be used also in a coming Range Rover replacement – puts BMW's 3-Series and 5-Series diesels ahead of the pack at present. In the Omega, there is a "drive-by-wire" electronic link between accelerator pedal and engine.



Renault's elegant Laguna five-door

Omega diesels, meanwhile, will provide tough competition in the executive class, especially when fitted with optional automatic transmission and air-conditioning. BMW, initially most reluctant to sell diesels in Britain, has been amazed to find them taking 12 per cent of sales, with eager buyers on waiting lists. Vauxhall expects 15 per cent of Omegas sold in the UK to be diesels.

Another important newcomer, due for launch on mainland Europe in January and soon afterwards in Britain, is the Renault Laguna. Although this successor to the 21 is a five-door hatchback – Renault pioneered this concept 30 years ago with the R16 – the Laguna looks like a saloon, with a distinct family resemblance to the larger Safrane.

Ford's Probe sports coupé, which comes to Britain in March, will be the first American-built Ford to be sold in the UK in any volume for more than 70 years. An elegant 2+2, it began life as a Mazda and has done very well in left-hand drive markets.

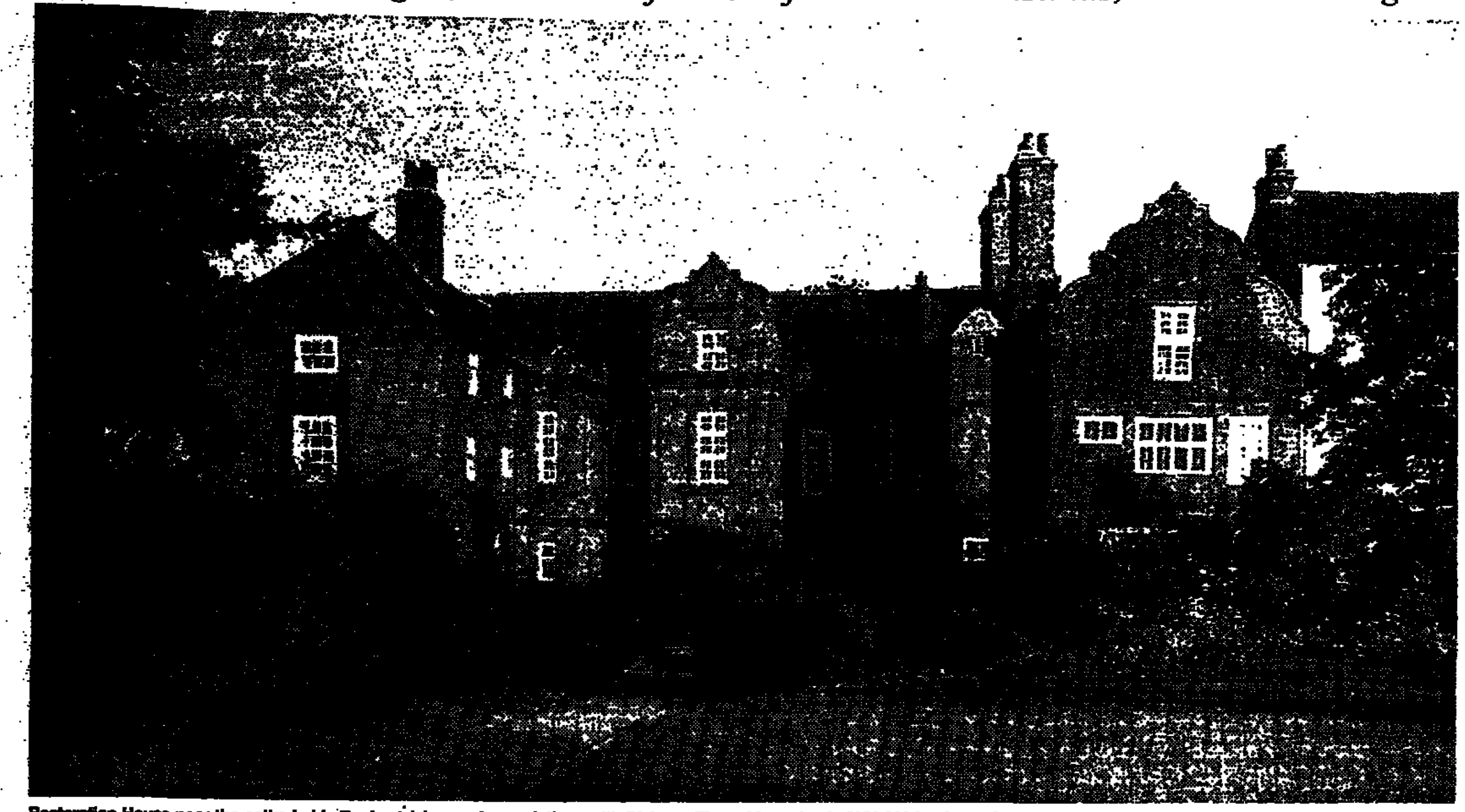
Is it a belated replacement for the Capri? Not really. That evergreen was an inspired shuffling of Cortina components.

The Probe is far more sophisticated and pitched rather upmarket of the Capri. Front-wheel driven, it may have 2.5-litre V6 or two-litre, four-cylinder, multi-valve engines of 163 and 115 horsepower respectively.

PROPERTY AND GARDENING

# Is there a Dingley Dell left in England?

***Gerald Cadogan**, in search of an old-fashioned Christmas, has been turning to Pickwick Papers for home-buying inspiration*



Restoration House near the cathedral in Rochester has real associations with Dickens. The asking price is £250,000 but it needs a lot of work

The asking price for Bleke House, a Regency property on the edge of Shaftesbury in Dorset, is £245,000

Fryer's House in Hertfordshire, on offer for £315,000

Where do our back-to-basics political leaders find guidance for an old-fashioned Christmas? Not from a Church abandoning its time-hallowed prayer book. Nor from the monarchy, where family values are clouded. But they could turn to Charles Dickens' account of Christmas at Dingley Dell, in *Pickwick Papers*, the icon of Victorian Christmas.

Not that *Pickwick* is Victorian at all. The first monthly part came out in April 1836, when William IV was king and Dickens only 24, and the last in November 1837 when the 19-year-old Victoria had been queen for just a few months.

Nevertheless, Dingley Dell is enshrined as the ideal mid-19th century Christmas, linked in our imaginations with trees, cards, crackers and presents, which are all post-Pickwick.

The Christmas tree reached Britain only when Prince Albert, of Saxe-Coburg-Gotha, brought the idea from Germany. Dickens called it "that pretty German toy" and liked "its multitude of little tapers". But a Pickwickian Christmas has to be icy.

When Dickens was a boy, the Thames froze and there were frost fairs, and sliding and skating as at Dingley Dell, where Pickwick fell through the ice. At an old-fashioned Christmas there must be hot wassail to drink; games, singing and dancing; mistletoe to kiss under, and a large fire. The highlight of the Christmas Eve party at Dingley Dell is the ghost story of the sexton Gabriel Grub and the goblins. Christmas Day starts with oysters. Church receives a single sentence. "Mr Benjamin Allen fell fast asleep: while Mr Bob Sawyer abstracted his thoughts from wordly matters by the ingenious process of carving his name on the seat of the pew." Then a "substantial lunch" with "strong beer and cherry brandy" leads to an hour on the ice.

Is there a wintry paradise now around which the snow wraps a cocoon of good-heartedness? If it has turned cold, Fryers House in Braughing Friars in Hertforshire, a traditional, timber-framed house on offer from Mullucks Wells for £315,000, has a large natural pond that is ideal for skating and is close to the house if anyone should fall in.

For tobogganing, try the South Downs in Sussex, if you do not find them too steep. (As a boy, I broke my arm on a sledge in Sussex.) In the middle of the downs at East Dean near Chichester and Midhurst is The Thatched House of brick and knapped flint, which Jackson-Stops is selling for £265,000. It also has a ghost, who knocks on the front door in the early morning. A hundred years ago two flint knappers lived in the house and took turns to wake each other up at 5am. The ghost has even appeared at the door as a tall man in black cloak and wide hat.

*'There must be hot wassail to drink, games, dancing, mistletoe and a large fire'*

In East Sussex Old Rectory Cottage is at the foot of the downs, in Folkington near Eastbourne (Strutt & Parker, £275,000). And mid-county at Fulking, also by the downs, Nettledown Cottage is the place for a get-away-from-it-all Christmas. Stock up with food and drink, as it is at the end of a long Wenceslas-taxing farm road. Joint agents are Humberts and Fox & Sons, and the price is £395,000.

The Christmas fire at Dingley Dell would fit into the 12ft wide fireplace and bread oven of Abbotsford, 17th century, thatched and full of beams, near Thorverton in the valley of the river Exe north of Exeter. Stags offers it for £125,000. More expensive is the Northmoor estate in the valley of the river Barle on Exmoor, where large herds of wild red deer suggest Christmas. Knight Frank & Rutley, in Exeter, is selling it in lots for around £640,000 in all.

A Dickensian-sounding name is one of the attractions of Bleke House, a Regency property on the edge of Shaftesbury in Dorset, with views over Blackmore Vale (Savills, £245,000).

Restoration House near the cathedral in Rochester has real associations with Dickens. It is a large 16th-17th century house with carved ceilings and grand fireplaces, and is listed Grade I. Here Charles II spent his first night in England on returning to take the throne in 1660. Its name became Restoration House.

Dickens used it as Satis House in *Great Expectations* where Miss Havisham lives frozen in time, the cake for her never-to-be wedding overhung with cobwebs and sitting on a yellowed tablecloth.

*Great Expectations* begins at Christmas time, without the cheer of Dickens' earlier Christmasses. The escaped convict, a "fearful man, all in coarse grey, with a great iron on his leg", catches young Pip among the graves at the side of the church porch and frightens him into stealing not only a file from his brother-in-law, Joe Gargery, the blacksmith, but brandy, mincemeat and a pork pie from Mrs Joe.

At the end of the book Satis House is for sale in lots. The house was to be sold, gutted for building materials, and pulled down. Luckily that has not happened. But it needs a lot of money for restoration, "far more than the usual £250,000 to £300,000", says Robin Tillett, of Knight Frank & Rutley, in Tunbridge Wells. The asking price is £250,000. It has a good-sized garden. "Inside it does not look changed from how it appears in *Country Life* photographs in 1924.

■ Further information: Fox & Son, Haywards Heath (0444-459966); Humberts, Lewes (0273-478828); Jackson-Stops, Chichester (0243-786316); Knight Frank & Rutley, Exeter (0392-433033) and Tunbridge Wells (0892-515035); Mullucks Wells, Bishops Stortford (0279-755400); Savills, Salisbury (0722-320422); Stags, Exeter (0392-55202); Strutt & Parker, Lewes (0273-475411).

Gardening Books/**Bridget Bloom**

# Essence of Austin and the English rose

"The Countryman": the result of a back-cross to an old Portland Rose from David Austin's "English Roses"

These English roses, also from David Austin's book, include "Bibi Maizoon", "The Nun" and "Lucetta"

Gertrude Stein, ever the philosopher, rammed her message home. A rose, she wrote in 1913, "is a rose is a rose is a rose". You can hardly fail to see her point, but I cannot help feeling she was not a gardener.

For gardeners there have always been roses and roses.

For some, for example, the essence of a rose is the long pointed bud, the often startling colours and the up-right habit of the Hybrid Tea. For others this is near anathema. They will accept, maybe, the luxuriance of a floribunda but really think a rose is nothing if it did not begin life as a Gallica, Damask or Moss, or perhaps a Bourbon, China or Musk.

In the long, fashion-based debate about roses – fed for at least 200 years by the dedicated work of rose growers and breeders – David Austin must have an honoured place. For a full 40 years Austin has sought to achieve a new class of rose. Now a sumptuous new book, *David Austin's English Roses* (Conran Octopus, £18.99, 160 pages) – together with the evidence in his own nursery and in increasing numbers of gardens across the land – show that he is well on the way.

True, as he is careful to acknowledge, his roses are not yet accepted by the World Federation of Rose Societies as a new class. But, he clearly hopes, so distinct is the English Rose from its predecessors or progenitors, that it will merit this distinction.

The essence of Austin's English Rose is that it combines the beautiful form, gentle colours and rich scent of the old roses of the 18th and 19th centuries with the repeat-flowering, vigour and disease-resistant qualities of the modern hybrid teas and floribundas.

Put like that it sounds as though it was simple to produce these new roses. But, in one of his most fascinating chapters (strangely relegated to the book's end) Austin tells how "in a typical year we cross-fertilise 30,000 roses to produce approximately 50,000 seedlings". These are progressively reduced and selected and probably cross-bred again until, at the end of about eight years "we hope to have five or six good roses that will form new varieties for commercial introduction".

One of these varieties, "of a warm pink colouring and strong and upright growth," was introduced in 1988 and called Financial Times Centenary, to mark that event. Austin does not reveal its precise parentage, but his book includes a splendidly detailed and illustrated catalogue of about 60 varieties ranging from the apricot pink Ambridge Rose to the "Gallica-like" crimson rose William Shakespeare and the "almost indestructible" Wife of Bath.

There is much else besides in Austin's delectable work, from a history of the rose to tips on pruning, to make it a must.

A good compliment to Austin's book is *Gardening With Old Roses*. Written by New Zealand authors Alan Sinclair and Rosemary Thodey, it is published in the UK by Cassell (£16.99, 185 pages). While the historical, descriptive and "rose care" sections are adequate, the chapters on the use of roses, companion planting and so forth are especially good, as are the photographs.

*There is much in this delectable work, from a history of the rose to tips on pruning*

I found another Cassells publication, *The Complete Book of Roses* by John Mattock and others (£20, 208 pages), less satisfactory. However, it does cover hybrid tea and other modern roses; it is more comprehensive than the New Zealand book (although less well-illustrated; and it has a good chapter on rose breeding. My next two books, if not quite in the same league as Austin, describe a type of gardening which relies heavily on the rose breeder's craft. *Create a Cottage Garden – Recipes for Borders, Beds and Containers* (Michael Joseph, £17.99, 189 pages) employs a contrived format. Its author, Kathleen Brown, devises "recipes" for planting schemes – for example, The Scented Tunnel or the May Queen Arbour or a Cheerful Shady Porch and then gives a list of "ingredients" followed by descriptions and instructions under headings such as site, scale, plan (for planting), method and after-care. But if the drawings (no photographs) are rather twee, there are plenty of roses and many ideas especially useful for beginner gardeners.

Wendy Lauderdale's *Garden at Ashtree Cottage*, by contrast, has photographs (by Andrew Lawson) almost as luscious as those of Clay Perry for David Austin. Lauderdale's tale (Weidenfeld and Nicholson, £14.99, 128 pages) is of a National Trust-owned cottage to which she moved in the early 1980s when both house and garden seemed "folorn, neglected and unloved". What I liked especially are the photographs taken at precise points in the garden at different seasons. I know I am not the only amateur gardener to find it hard to visualise in spring what one's planting scheme will look like in full summer or autumn – let alone in winter.

Which leads me to declare an interest. In 10 years of having my own garden, I have come to believe increasingly that if a garden looks good in the winter, making it look good for the rest of the year is a relatively easy task. And making a garden look good in winter cheers you up, for it takes you through not just the gloomiest, coldest months of December, January and often February but the fag end of autumn and the grey days of early spring as well.

Yet where are the books on winter gardening? With the noble exception of Rosemary Verey's excellent *The Garden in Winter* (published in 1988 by Frances Lincoln) they are very hard to find. I can claim no credit (for I have long taken issue with him on his early addiction to conifers) that my brother, Adrian Bloom, has produced a volume to help fill the gap. *Winter Garden Glory* (Harper Collins, £14.99, 144 pages) is subtitled "How to get the best from your garden from Autumn through to Spring", and while it does make considerable use of various conifer species to increase winter interest, it covers much else.

Evergreens, grasses, winter flowering or berrying or bright-stemmed plants and trees and early and late bulbs can all enhance the garden in winter and lift the spirit, whether they be in grand or structured planting schemes or in containers in the backyard.

There are lots of good photos, detailed planting plans and a plant directory in *Winter Gardening Glory* too. How could I not commend it?

# The man who dreamt of El Dorado

## *Anthony Curtis enjoys a new biography of Walter Ralegh*

The two facts we all know about Sir Walter Ralegh – that he laid down his cloak so that Queen Elizabeth should not have to step in the mud and that he introduced tobacco into England – are, as Stephen Coote's lively new biography shows, false; or at best only partially true. The first was the kind of thing he *might* have done – its theatrical panache was typical of him – but there is no evidence that he did. As for the second, tobacco was known and even grown in England from the mid-16th century but by the end of it, thanks to Ralegh starting a fashion for smoking among the smart set at court, the whole of London was smoking. England became the biggest importer and re-exporter of tobacco.

If Ralegh is the hero of the anti-anti-smoking lobby he is also the champion of a number of other causes that are still alive. He was a great believer in entrepreneurial expansion and in exploiting emerging economies in places like South America. Ralegh nourished a lifelong dream of El Dorado, from where he believed endless amounts of gold would accrue to his own capacious pocket and the royal exchequer. The dream proved to be as illusory as the later vision on the same lines of Verity Lambert and her colleagues.

Ralegh organised and participated in several explorations. His *Discovery of Guiana* (what is now central Venezuela and the Orinoco basin) is one of the key-works of Elizabethan voyage-literature. He was a pioneer of scientific experiment surrounding himself with a group of men like the astrologer John Dee, Richard Haklyut the younger, Thomas Harriot, Laurence Keymis. Coote sees this remarkable set of Ralegh's friends who would meet and discuss their findings at his London base of Durham House as being serious scholars as well as Elizabethan adventurers.

Among his own observations Ralegh claimed actually to have seen those "men whose heads do grow beneath their shoulders" referred to by

**A PLAY OF PASSION: THE LIFE OF SIR WALTER RALEGH**
**by Stephen Coote**
*Macmillan £17.99, 420 pages*

Othello. Indeed, the whole of the Moor's "story of my life" speech, with its account of hairsbreadth escapes and exotic adventures, might have been compiled by Ralegh from his own experience. Whether it was just such a catalogue of wonderment, or sheer physical magnetism, that captivated Bess Throckmorton, the Queen's 20-year-old virginal lady-in-waiting we do not know. But when she encountered him at court where he basked in the queen's favour they fell passionately in love and before long Bess was pregnant. They were then secretly married. After the child was was born Bess returned to court under her maiden name as if nothing had happened. Her deception was soon discovered and both she and Ralegh were sent to the Tower by the irate sovereign.

A diary shedding much light on these events kept by Bess's brother Arthur was discovered by A.L.Rowse. His *Ralegh and the Throckmortons* (1962) remains essential reading. But Ralegh was such a complex, fascinating figure that there is certainly room for a fresh look at him as stimulating and well-informed in all areas as this one. Coote shows just how much fight there was left in him during his imprisonment; the final spell lasted 13 years well into the reign of James I.

Ralegh seems to have been reasonably comfortable in the Tower where he continued to pursue his botanical interests. While living there he produced his *History of the of World* full of subtle coded observations on Jacobean politics and he also wrote verse. C.S. Lewis divided Elizabethan poetry into Drab and Gold. Of Ralegh he wrote: "Side by side with his Drab poetry we find weak Gold: 'Methought I saw the grave' or 'Like truthes dreames' or even (in 'What is our life?') a groping towards the metaphysical."

He never abandoned his dream of real Gold – a far-away land full of gold ingots to be gathered in and shipped home, and it was on the strength of it that he secured his conditional release to lead a fresh expedition to Guiana. This last voyage was the grandest folly and a disaster from the start, undertaken after he had suffered a mild stroke while in prison. It ended in the death of Ralegh's son Wat who accompanied him, and the loss of many other lives. Somehow Ralegh manged to lead his depleted company home where James, bowing to pressure from the Spanish ambassador, ordered a new trial and Ralegh was condemned to death.

The account given here of his last hours, the power of his oratory beside the block, is heart-rending. He kept the executioner waiting while he addressed at some length a crowd that contained many of his peers. Coote describes it all well but it really needs Placido Domingo with full orchestral backing to re-create its grandeur. As one puts this engrossing book down one one seems to hear the final chords mixing triumph with defeat.

Sir Walter Ralegh in later life

# Dirty dealings in high places

Although it is not immediately obvious, this is a book about foreign policy at the end of the Cold War. True, *Spiders Web* has nothing to do with Russia, nothing to do with communism, and nothing to do with superpower conflict; but it has everything to do with the persistence of certain kind of Cold War decision-making, and a certain set of Cold War assumptions, into the present era.

The story told by Alan Friedman is the now familiar tale of massive, high-tech, covert British and American arms sales to Iraq in the years leading up to the Gulf War. The arms sales began in the early 1980s, when Iraq was at war with Iran, Ronald Reagan was president, and covert operations were not only acceptable but fashionable in Washington. This was an era when patriotic secret agents were still expected to lay down their lives for the American president or Her Majesty's Government, and any foreign policy tool was acceptable if it furthered the cause of Western democracy. Within that context, strategic support for Iraq made sense; America was justifiably worried about Iran's influence in the Gulf, and the use of secret arms sales to check Iran was neither better nor worse than the use of secret arms sales to support UNITA in Angola, the contras in Nicaragua, or any one of a dozen other causes of various degrees of merit around the world.

Friedman believes that the policy was more dangerous than this, but that is because he is able to see the arms sales in the light of the Gulf War, because he knows how hard the American government had tried to hide the truth about them since the Gulf War, and because he knows how carelessly those pursuing the arms sales in the Bush administration ultimately became.

Relying on a select and highly secretive group of advisors, shockingly ignorant of technical details President Bush, James Baker, his Secretary of State, and several British government officials pursued the policy of support for Iraq, including what amounted to support for the Iraqi nuclear weapons programme far longer than normal security considerations would seem to dictate.

But why did they do it? partly out of a wholly legitimate desire for influence in the Gulf; partly out of a desire to increase trading contacts between America and Iraq, and to thereby "embrace Saddam in a cocoon of moderation;" British and Italian officials who became involved did so out of a desire to help their national arms industries. In Friedman's account, it also sounds almost as if President Bush pursued the arming of

**SPIDERS WEB: BUSH, SADDAM, THAT CHER AND THE DECADE OF DECEIT**
**by Alan Friedman**
*Faber £17.50, 455 pages*

Iraq out of sheer arrogance, love of conspiracy, and a desire to play important, secret games in the manner of his predecessors.

On the ground, the "foot soldiers" had more mixed motives, and they are wonderfully sketched. There is Fred Habosh, the washing machine salesman who got hooked on arms sales and received a gold watch with a portrait of Saddam Hussein In exchange; Frank Machon, the British security service's very own lorry driver; Christopher Drogoul, who arranged loans for the Iraqis via the Atlanta branch of the Banca Nazionale del Lavoro and wound up in prison for his efforts on behalf of American policy; and of course the men from Matrix Churchill, who appear in this book as a small part of a much wider conspiracy. Some of these agents sought to perpetuate arms sales and loans for the sake of financial gain. Most, however, carried out their duties out of patriotism – the sort of patriotism that had kept such people motivated throughout the Cold War.

To Frank Machon, for example, the son of a British military intelligence officer, the shift from driving politically dangerous cargo through Eastern Europe to driving weapons to Iraq was confusing, providing "none of the clear policy markers" he was used to; nevertheless, he kept it up out of faith in the British government's wisdom. it was only later, when that government betrayed, threatened and harassed him that he went to the press with a story about clandestine arms sales to Iraq. Indeed, most of the sources for this book appear to be disgruntled former intelligence agents, people who would have been happy to do the government's bidding and keep silent, but who would not do so for the sake of arms sales to a Middle Eastern dictator, or for the sake of governments which refused to stand by them when trouble came.

This is an impeccably researched book, one which manages to tell several interlocking stories at once. Friedman never loses the main thread of his argument, and the exposé is complete: It will be impossible, in the wake of this book, to argue that the American and British governments did not condone aria sales to Iraq, did not lend money to Iraq, did not create the "Frankenstein" of Saddam Hussein whom they eventually had to destroy.

Friedman's achievement is especially remarkable given that he suffered from some of the same sort of harassment as other bit-players in this drama. Yet in the end, the whole episode looks not so much like a scandal, but rather like an extremely costly and wasteful mistake. It was a policy which had a purpose in one era but was pursued for too long into another, with the help of arrogant officials who refused to take responsibility for their actions. In the end, those in error preferred to deny the truth, control the damage, and ruin the lives of those who had assisted them.

***Anne Applebaum***

# Personal portrait of a president

It is hard to remember that in 1918-19 Woodrow Wilson was the toast of Europe. Streets, boulevards and squares were renamed in his honour. Even the defeated Germans pinned their hopes to the American president's "Fourteen Points". After decades of intense and acrimonious debate, Wilson is now mainly of interest to the academic establishment. This unique portrait of the president, written by his brother-in-law and friend of 40 years, is of general interest and should appeal to anyone interested in the "human side" of American politics.

It is a warm and affectionate yet frank and critical study of a reserved and introverted man. This collection of descriptive, anecdotal and analytic essays is brilliantly edited and annotated by the doyen of Woodrow Wilson studies, Arthur Link. What makes the Axson memoir so important is not only the sense of intimacy conveyed by one of the very few of Wilson's contemporaries in whom this reticent man confided but the sharpness of insight shown by the author, a life-long bachelor suffering from recurrent bouts of depression and who lived on and off in the Wilson household.

Wilson was mentor, friend and companion to his younger brother-in-law. The affection between them was deep and long-lasting. The highlight of the book is the account of Wilson's presidency of Princeton University and his battle to reform not only its curriculum and lecture system but the special position of the socially devisive Princeton "dining clubs" still in existence today.

Axson was professor of English at Princeton during this time and his essay is the best and fullest record we have of this key moment in Wilson's pre-political life. In the ensuing campus battle, Wilson showed many of those same traits that made him one of the great American presidents but led to his ultimate defeat over the League of Nations, for which he had sacrificed so much.

A natural leader, highly intelligent and administratively gifted, Wilson was also dogmatic, stubborn and inflexible. At the height of the Princeton conflict, passionately engaged in the pursuit of his educational goals, the university president rejected any possibility of compromise and turned his back on colleagues who opposed him. Wilson proved insufficiently politic to complete his reform programme, too unwilling to take advice and too aloof from his colleagues to outplay his con-

**BROTHER WOODROW: A MEMOIR OF WOODROW WILSON**
**by Stockton Axson, edited by Arthur S. Link**
*Princeton University Press, 297 pages*

servative opposition.

As Axson describes his own and others' efforts to moderate Wilson's unyielding approach, one has a foretaste of what happened in Washington in 1919.

Wilson has been a favourite subject for the psycho-biographers. Axson's study of the president's father and his picture of Wilson's familial life is as, if not more, perceptive than the best of these accounts. Axson's shrewd character studies of Theodore Roosevelt, William Jennings Bryan and other contemporary politicians, his evocation of key political events, many of which he witnessed, and the rich collection of personal and political stories, comical as well as serious, convey a sense of immediacy no historian can match. The fond but sharp assessment of Wilson's personality in a final chapter is a beautiful piece of writing that seems to catch the essence of a strangely elusive man.

There are few personal memoirs of Wilson; this is an exceptionally rich one. To have such a valuable addition to the vast corpus of Wilsoniana, presented in such a handsome and well-illustrated volume, is double bonus for the reader.

***Zara Steiner***

# The End is Nigh

## *J.D.F. Jones enjoys an apocalyptic argument*

At this time of year some of us feel the need for a wider perspective beyond the all-invading tinsel and goodwill – for instance, something about nativity myths and miraculous hero-births in other societies, where they are also attended by animals and exotic princes and heavenly portents. Nothing is more welcome than a cool draught of wise and intelligent scholarship after so much sweet sherry. *Cosmos, Chaos, and the World to Come* is not exactly about nativities, but it will do nicely.

Professor Norman Cohn is a British academic, now of ripe years, who wrote a famous book called *The Pursuit of the Millennium* which described the Middle Ages phenomenon of a host of apocalyptic – millennial – European movements which believed that "there will shortly be a marvellous consummation, when good will be finally victorious over evil ... the elect will thereafter live ... without conflict, on a transformed and purified earth". (The quotation comes from this new book.)

That trail-breaking volume started with the early Church and ended with the Anabaptists: the expectation of an imminent transformation of the world gave birth, of course, to political and secular as well as to religious offspring.

What he now gives us is a similarly fascinating and lucidly explained investigation asking *where* this extraordinary idea first came from: and so he goes back into the mythology, as well as the history and theology and literature, of pre-Christian societies.

Neither the Egyptians nor the Mesopotamians, for example, had any concept that the world might be made perfect, nor had the Indo-Aryans: the common element in their philosophies was that "Cosmos" (i.e. "order") had been immutably established by the gods; that it was frequently threatened by "Chaos" (i.e.destructive forces, enemies, evil), but in the combat between Cosmos and Chaos a young hero – warrior, storm-god – was charged by the gods to repulse Chaos and so win kingship. Professor Cohn guides us carefully, and never tediously, through this particular interpretation of Ancient (in fact, quite late) Near East mythology.

His thesis is that, in a major turning point in human consciousness, this combat-myth was re-interpreted and transformed so as to prefigure a prodigious final battle in which the forces of Chaos would be defeated *once and for all* so that, in the later words of the Book of Revelation,

**COSMOS, CHAOS, AND THE WORLD TO COME**
**by Norman Cohn**
*Yale £20, 271 pages*

there would be "a new heaven and a new earth".

Cohn argues that it was Zoroastrianism which broke out of the Cosmos/Chaos equation and turned the combat myth into an *apocalyptic* faith. Zoroaster, who probably settled in eastern Iran some time between 1500 and 1200 BC, was a priest without honour in his own country who became the first millennarian prophet, preaching a faith which aimed "to remove every form of disorder from the world, wholly and for ever; to bring about a state in which Cosmos will no longer be threatened by Chaos ... In place of repeated but incomplete victories we are promised a final and total one."

The influence of Zoroastrianism on the Jewish exiles in the Babylonian Captivity – Cohn maintains – was seminal, as was the Jews' own development of monotheism. The very extremity of the Jews' defeat and humiliation at that time paradoxically served to confirm their acceptance that Yahweh was chastising his own Chosen People; the worse the disasters, the better they could be seen as proof of Yahweh's righteous power, because he was evidently punishing his People for not giving him their exclusive devotion (the theme might serve for a Woody Allen film). Cohn concludes that "the similarities between Zoroastrianism and the notions one finds in the Jewish apocalpyses are too remarkable to be explained by coincidence".

There followed from this development such notions as the Resurrection, Judgment, Damnation, the person of the Messiah, and the imminent "coming of the Kingdom". The way was clear for the popular fantasies of millennarianism, both religious and secular, which have littered the history of the past 2000 years and which are by no means dead today. There is still a character in Oxford Street proclaiming that "The End Is Nigh".

# A mercenary business

Despite its somewhat fatuous title – the actual number of Swiss who served in foreign armies cannot be so easily calculated – this is an excellent and absorbing study, albeit a brief one. Every precaution however should be taken to prevent any copies falling into the hands of our present Cabinet. It contains too many hints on how to profitably privatise the military.

Given that Switzerland is now synonymous with watches, fine chocolate, the Red Cross and the Geneva Conventions, it comes as a mild shock to learn just how warlike the Swiss of yore could be. Yet warlike they were. In the closing decades of the 15th century and opening decades of the 16th, Swiss infantry was invincible. Not only did it secure the independence of the original cantons, but it wrecked Charles the Bold's attempt to transform Burgundy into a European power; and it also played a not infrequently decisive role in the Italian Wars of Charles VIII and Francis I.

Swiss prowess was based on the pike. A hardy mountain people unused to horses, they had somehow to cope with cavalry attacks across the Alpine lowlands. The pike square, sometimes caricatured as a hedgehog, provided the solution. Used defensively it could withstand the charge of any cavalry; used offensively, it could mow down opposing infantry.

In time the development of firearms and cannon undermined the pike. But by then the Swiss had earned themselves an unassailable reputation, and for more than three centuries most major European armies – but especially the French – had their Helvetian contingents. And they made good soldiers. As John McCormack records, so long as they were paid they could be relied upon to perform well, sometimes brilliantly, in battle.

In many major European engagements, their contribution won the day. In short, as mercenaries, the Swiss were the exception that proved the rule.

This had largely to do with an *esprit de corps* that, once established, refused to die; and with a lack of opportunity to follow the noble profession of arms within Switzerland's own borders. But as the mercenary tradition evolved, so did the business. An estimated 0.2 per cent of the Swiss population were employed as mercenaries at any given time in the 17th and 18th centuries, their repatriated earnings and pensions accounting for 6 per cent or more of the GNP.

The mercenary companies however were literally owned by their commanders, who hired them out according to the terms of "Capitulations" negotiated between the Swiss Diet and foreign states. Over the years, "Military Enterpriser" families gained a stranglehold over Swiss politics and the national economy.

Where McCormack fails in his otherwise impeccable inquiry is with regard to the

**ONE MILLION MERCENARIES: SWISS SOLDIERS IN THE ARMIES OF THE WORLD**
**by John McCormack**
*Leo Cooper £18.50, 224 pages*

latterday exploitation of capital accumulated by these Enterprisers. Hoffman-Laroche is anecdotally cited as a beneficiary, but it would be interesting to discover exactly how many other Swiss corporations owe their existence to hard currencies earned the hard way. The demise of Swiss mercenary forces coincided with the growth of nationally conscripted armies, following the French Revolution.

The interesting question, however, is whether the Swiss regiments would have petered out in any case. The evidence McCormack assembles strongly suggests that during the course of the 18th century the double burden of military leadership and business management was too much for the captains. As profit margins diminished, so they had to make savings where they could. Pay, provisions, morale and discipline – in a word, effectiveness – suffered accordingly.

***Justin Wintle***

# Musician's troubled heritage

An affectionate family memoir. But what a family! Half-sister of Ian and Peter Fleming, the cellist Amaryllis is the daughter of Eve (a widow who never remarried because that would have meant losing a considerable amount of money) by Augustus John. The child was born in 1925 and Eve passed her off as an "adopted" daughter, while the position of Augustus John – the affair with Eve was not long-lived – was supposedly that of a dear old family friend.

When, at the age of four, her mother told Amaryllis she was adopted, the child believed the lie until she was in her early twenties. Her mother's treatment of her tended to confirm the falsehood, for Eve was, by all accounts, a dreadful, selfish parent. Extravagant in satisfying her own whims, in other situations, she pinched pennies until they – and all around her – screamed. One of Amaryllis's duties as a little girl was to take wilted flowers, removed from the vases in Eve's grand house, and deliver them to the deserving poor.

Both Eve and her deceased husband Val came by their eccentricity naturally. Val's mother, the senior Mrs Fleming, was one of those rich eccentrics considered delightful by all except their criminally underpaid and overworked servants. Eve had at least one saving quality: she loved music and when Amaryllis's talent was discovered, her mother encouraged her.

**AMARYLLIS FLEMING**
**by Fergus Fleming**
*Sinclair-Stevenson £20, 293 pages*

It is at this point that Fergus Fleming (nephew of his subject) is able to write more interestingly. The book picks up as it describes the slow process of becoming a serious 'cellist, the studies (and affair) with Pierre Fournier, and further lessons with the dramatic Guilhermina Suggia (subject of a great Augustus John portrait) and Pablo Casals, seen here very much in his bedroom slippers. To the younger generations of music-lovers, Amaryllis Fleming will be little more than a name, if that; for she made no commercial recordings (at least none that have remained in the catalogue), and did not have a spectacular career. She was, in her biographer's evaluation, "a musician's musician." And yet, her intense life illustrates not only the struggles of the musician's career but also the satisfactions.

Amaryllis was not just a performer; she was an explorer. Doggedly she investigated the five-stringed cello, long obsolete, and after tireless research and expense, managed to have one made to her exacting requirements. Then she was finally able to play Bach's 'cello Suites as she thought they were meant to be played. She became passionately interested in the then little-known baroque repertory, and she appeared chiefly as the guiding member of the Parikian-Fleming-Roberts Trio; when its violinist Manoug Parikian died in 1987, Amaryllis lost the will to perform. A by-pass operation and then a stroke put paid to any idea of public appearance, though she continued taking a few pupils.

In addition to talent, being a musician requires courage. This Amaryllis evidently possessed to a remarkable degree. Fergus Fleming's biography makes her life sound like a wonderful achievement; and despite a troubled heritage and many setbacks, it also sounds like fun.

***William Weaver***

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AFFAIRS OF THE ART

# The beginnings of the love affair

*FT critics celebrate the performances, books and paintings that shaped their lives*

Art/**William Packer**

## Hooked by Holbein

The whole trend of my education was academic, which I do not regret in the least, but there rode with it the unquestioned assumption that its natural end would be at the university. Art in the 1950s was at best a marginal business, not a waste of time exactly, but most certainly a distraction were one supposed capable of higher things. Even the history of Art was but the stuff of those general discussion and appreciation sessions, set to broaden and civilise the Sixth-Form mind a notch or two, but nothing more.

But I grew up in Windsor, and the Castle was always, even in term, a place of regular resort. Out along the North Terrace, between the inevitable queue for the Queen's Dolls' House on the one hand, and entry to the State Apartments on the other, was no queue at all but only a sign to the Old Master Drawings. A whispered request to the attendant and payment of the necessary sixpence, or was it a shilling, and the cord was unhooked and I was let through into the quiet gallery and its Claudes and Poussins, Sandbys and Leonardos, above its Holbeins.

Those images of Sir Thomas More and his family, and the somewhat later group centred upon the Court of Henry VIII, drawn to the life yet with an elegance and economy that still takes the breath away across the centuries, are as familiar to me as any. What is more to the point, they are the very first that I ever recognised directly as true and profound works or art. I can still see myself standing before them in the dappled sunshine that filtered through the room that spring afternoon of nearly 40 years ago, and thinking: well, there is more to life than the History of France under the Second Empire, and more to Art than my Shakespeare text. There may not be better, but there other things, other kinds, other ways.

The pick of those Royal Holbeins was shown at the Scottish National Gallery through the summer, and comes to the National Portrait Gallery in London early in the New Year. I shall go along again, of course, to say hello.

John More the Younger, one of the pick of the Royal Holbeins

Ballet/**Alastair Macaulay**

## Fonteyn as Juliet was passion itself

The performance that changed my life was a Fonteyn-Nureyev *Romeo and Juliet*. Later, I saw yet finer performances of this ballet, and truer accounts of Kenneth MacMillan's choreography. This one was, in fact, full of faults; and I knew that at the time. Fonteyn was 56, and I could tell at once that she was nothing like Juliet's 14. At times, in the ballroom scene, one could see the strain, even pain, that the choreography sometimes caused her. I had seen that *Romeo* twice before, and I could tell that she was sometimes dancing revised choreography. And yet, and yet...

Fonteyn poured so much energy into *being* 14, that from the first I had to suspend disbelief. I had never seen her before, and I was used to seeing one or other of Nureyev's usual ways of treating his partners: either like worthy competitors, or as if they were lucky to share the stage with him (most other dancers). With Fonteyn, however, he showed nothing but a sense of privilege. Humility in Nureyev! It was extraordinary.

One of the moments when they changed the choreography occurred when, during the balcony scene, he kissed the hem of her dress. In MacMillan's choreography, this is just a marvellous fleeting moment, snatched while Juliet is rushing radiantly across the stage. Nureyev and Fonteyn, however, played it for all it was worth; and I recall it now in such detail that it is as if they played it in slow motion.

He knelt, took the hem of her dress as if it were the Holy Grail, and kissed it like a supplicant. And she stood there, looking down at him in wonder, as if this amazing gesture had changed *her* life forever. She stood there in profile to the audience; then suddenly she raised her arms and held them, stretched up above her head, looking straight upwards into heaven, as if proclaiming her new joy into eternity. This was marvel enough, but it was surpassed by what followed.

Suddenly, like a wave crashing, she brought her hands down. Down with the music; down over her face; down over her neck; down over her body; down until her arms were stretched down to the floor. And she still stood there, looking before her in rapture. Around Covent Garden one could hear a gasp – the kind of gasp I have only ever heard at Fonteyn performances. It was as if we had seen passion itself break over her in tidal force.

There were other such astounding moments in that performance, but I did not know that night just how my life had been altered. The next day, however, and every day for the next six weeks, images of Fonteyn kept bursting in on me: suddenly all I could see was some blinding vision of Fonteyn, Fonteyn, Fonteyn. I have always loved the way that after images of physical movement can come back and possess one, but never again has a performance so haunted me. After that I had no choice. As Frederick Ashton liked to say about seeing Anna Pavlova, "She injected me with her poison; and there was an end of me."

Richard Burton as Hamlet with Claire Bloom in the Old Vic production of 1953

Theatre/**Max Wilkinson**

## Captivated by the Bard and Burton

Never mind about the hard words, I was told: there will be plenty of action, a suicide and eight murders. I had been left in the charge of a female cousin who had two tickets for a play which my parents told me they would much rather go to than the comedy they had been invited to that evening.

My cousin explained anxiously that it was rather long, that it would not end happily, but that there would be a sword-fight and a ghost. This, and the fact that I had money to buy ice creams for *both* of us, induced a mood of great solemnity.

But it did not prepare me for the magic of that cold autumn evening at the Old Vic theatre 40 years ago. I was just 11 and the young Richard Burton was being acclaimed as the remarkable new Hamlet. The audience was silent as soon as he appeared, slim and powerful and in perfect black, restlessly undermining Claudius's apologia for incest. By the time he strode forward to the footlights, fixing his gaze on the gods for the great soliloquy, we were all entranced.

Burton defied every one in the audience to savour every one of his words (as he was to do much more aggressively in *Look Back in Anger*, and later as Petruchio). To an 11-year old who had never before heard "To be or not to be...", his delivery said simply: "Listen, I am going to tell you a great mystery, in poetry." What the words then meant, I have no idea. Looking back through the veils of time, it seems I understood every one. But memory is false: "Who would *fardels* bear... the proud man's *contumely*... that undiscovered country from whose *bourn*... Nymph, in thy *orisons*..." Many hours with the glossary stand between me and that early innocence.

Yet it all made perfect sense, more in a way than many productions I saw after long study of John Dover Wilson's *What Happens in Hamlet* and a shelf-full of other explanatory works. This is not a trick of memory, for although details decay a profound experience lives on.

It was an experience which not many people have these days, because, leaving aside Burton's fiercely intelligent cadence, hardly anyone goes to *Hamlet* now without first studying the text at school. So they miss the raw power which Shakespeare exercised over the groundlings – the uneducated riff-raff who stood in the open courtyard before the stage. They were no doubt quicker than a 1950s 11-year old to catch the dirty puns ("Get thee to a nunnery" is *brothel*; "Nothing... That's a fair thought to lie between maids' legs" etc, etc). But those groundlings must have had pretty much the same reaction to the ghost.

Some people are a little embarrased by the ghost, but not I, ever since that day. There was no messing about then with interpretations, allegories, anachronisms or (as I once saw) a ghost in a great-coat standing on a chair. This one was completely real and terrifying: he rose pale and massive straight out of the front stage amid billows of green smoke and eerie music. The apparition explained everything: Hamlet's peculiar behaviour, his despair and his determination all mixed up in wild and witty words, which Burton delivered with supreme authority. And then, the sword fight... I must not go on... but it was, I believe, superbly executed. Never, since, have I been so sorry to see Hamlet die, nor felt so strongly the grim exaltation of an audience facing up to the triumph of evil over good.

A more profound effect, though not realised until much later, was to understand the power of imagination over facts, people and events. Producers who try to "explain" Shakespeare too often forget that, despite the amazing complexities of his verse, he told a rattling good story which even a child can enjoy; and that children, particularly, are thrilled by sonorous language and tales of moral dilemma.

Zoe Dominic

When Nureyev kissed the hem of Fonteyn's dress in 'Romeo and Juliet' she stood looking down on him in wonder, as if this amazing gesture would change her life



Literature/**Jackie Wullschlager**

## Falling in love with Mr Rochester

I fell in love with Charlotte Brontë's *Jane Eyre* – or rather with Mr Rochester – when I was 12. I used to talk with Mr Rochester on the way to school. "My deep love, my wild woe, my frantic prayer are all nothing to you?" "I am going, sir." "Withdraw then; but remember, you leave me in anguish." Years later, reading Muriel Spark's *The Prime of Miss Jean Brodie*, I discovered her adolescent character Sandy chatting to Alan Breck, the hero of *Kidnapped*, and realised that generations of blue-stocking teenagers fantasise about literary heroes as others idolise pop stars.

*Jane Eyre* was an overwhelming literary experience. I read it almost non-stop, day and night, over 72 hours. It was the first classic novel that I enjoyed and the one that suggested what literature was about. It is a compelling story, but reading it, I suddenly saw that there is more to a great book than a good yarn; that fine original language and the brilliant artistic cohesion of form, words, images, create the pleasure of the text. I re-read it obsessively, for the joy of its highly wrought language and fevered emotional pitch. Charlotte Brontë's near Biblical cadences thrill with romance. *Jane Eyre* is the perfect teenage novel.

*Jane Eyre* closed the door on children's books and opened up a brave new world of Victorian fiction. Many people recall the frenzy of adolescent reading – Graham Greene wrote of "the missed heartbeat, the appalled glee," at a new discovery on the library shelf.

For me it was evoked by each Brontë novel, then by Pride and Prejudice, The Mill on the Floss, Tess of *the D'Urbervilles* where romantic satisfaction was denied – in *Madam Bovary*, say – I wilfully misread the book, inventing happy endings or lovers of Rochester-like machismo and fidelity.

Indirectly, *Jane Eyre* sparked off many cultural pleasures. Its intense vision was so enticing that it tempted a search for other ways of losing oneself in an artist's imaginative world, in drama, opera. In museums, there was the chance to seek Rochester or D'Arcy lookalikes among 19th century portraits.

All this was a mixed blessing. While most teenagers in the 1970s were out disco dancing, I was locked into Victorian England. It was a shock to find that there was more to life than prim governesses, and that men were not like Mr Rochester.

Yet I still find *Jane Eyre* a great love story, as consoling and satisfying as Cinderella, the archetypal tale on which it is unconsciously based. Cinderella talks to the wronged child in all of us, and makes us feel special and redeemed; so does *Jane Eyre*.

Dance/**Clement Crisp**

## Ballet among the bombs with a bun

My baptism in ballet had the effect, as Frederick Ashton said about his first view of Anna Pavlova, of "injecting the poison into my veins". I was a young schoolboy; it was 1943; we lived in Surrey and I had nagged my parents, for reasons I now forget, to take me to the ballet.

Tickets were booked for a matinée by the Anglo-Polish Ballet. On the morning of the performance I rose, feverish with excitement. Rather too feverish, as it turned out, since I had a tendency to keel over and was lightly covered with blisters. Chickenpox, of course. Adieu ballet.

Persistent, I nagged again, and was rewarded with a matinée in London to see the Sadler's Wells Ballet. Bliss was there. How blue the lighting for the second act of *Swan Lake*, and how beautiful Fonteyn. How fascinating the designs in *Comus*, with the blaze of Helpmann's temperament commanding the rout.

And then, how people laughed (at the ballet!!) at Helpmann in *Façade*. He wore a natty pin-striped suit, red lined, was wildly be-ringed and even more wildly funny in the *Noche Espanol* (a number alas now dropped from the ballet). And Fonteyn, in a red sack dress, was turned upside-down without losing her sweetly uncomprehending smile.

I was hooked. I didn't care that there was a notice in the programme telling us where the nearest air-raid shelter was, and that in the event of a raid we could (but, inferentially, shouldn't) leave the theatre – though please do not disturb the rest of the audience. No-one ever did leave, and there was no suggestion that the dancers would rush for cover. They stayed. We stayed.

Thereafter my pocket-money could pay for a rail ticket to London on Saturday afternoons, a glass of milk and a bun for lunch, and a seat in the pit for matinées at the New and Prince's Theatres. In a world not without its tensions even for a schoolboy, ballet – and the zest of the then Sadler's Wells troupe – was an abiding joy. The red and gold disease, the mania – it was in the Russian Imperial Theatres that the word "balletomane" was coined – took hold.

I started to learn not only about dancing but about painting – the company was in its golden age of stage decoration, with design by Edward Burra, Oliver Messel, Leslie Hurry as the norm – and to enjoy unfamiliar music. Constant Lambert, as musical director, regularly included orchestral entr'actes in the programmes: even now I cannot hear "La Calinda" from Delius' *Koanga* or Lambert's *Aubade heroique* without being taken back to war-time London.

Osbert Sitwell once declared that he was educated in the holidays from Eton. The best part of my schooling was owed to those early matinées.

هكذا من الاصل

AFFAIRS OF THE ART

Music/**Max Loppert**

# Entranced by the voice of an angel

The year was 1955, the place a large auditorium in Johannesburg, and the occasion a concert featuring one of the world's most famous and highly esteemed singers. It was her first in the country, and awaited with the highest excitement: for, even in the postwar period before the anti-apartheid arts boycott began to bite, South Africa was a somewhat out-of-the-way place for the world's truly front-rank musicians. So when one such as this soprano did arrive, the waves of anticipation tended to ripple far beyond the small, confined pool of Johannesburg concert-devotees.

I was nine. I had already been exposed to the concert hall on a single occasion a few years earlier (a piano recital offering *inter alia* some of the Schubert pieces I was myself struggling to learn at the time – not a great success, of which all I now recall is the discomfort of having to sit still for an achingly long time in "smart", scratchy, flannel trousers).

But the prospect of hearing a singing voice of this calibre seemed to perk up even my artistically unenthusable parents. In turn this conveyed itself to me; there was also something intriguingly exotic about the singer's name – much longer than the Johannesburg norm, Victoria to begin with and something or other to do with angels at the end – which gave an attractive tinge to my expectations of the event. (The stimulus of memorable names on a child's imagination should never be underestimated.)

The concert itself I remember hardly at all in detail – I have, for instance, no idea what she sang – and almost entirely in terms of its general impact upon me: an awareness of something marvellous sweeping over me that grew ever greater; a sense of disbelief turned to wonder that the singing voice could be so powerful yet so joyously unforced, could go so high and low, could sometimes move so fast and at other times hold itself so long, quiet and steady; above all, a thrill at the way the sound seemed to make itself part of the listener's very being.

Of the lady herself I have only a vague but treasured image, which has been superimposed upon by the subsequent (adult) occasions I encountered her – a dark-haired figure in a shining dress with a cape who smiled as though she were the friend of every small boy in the hall, and made magic.

Indeed, magic it was: at some point during the evening I must have become convinced that this singer was really an enchanted emanation of music itself. In this parcel of suffused, inarticulate sensations I also trace the belief, formed under her influence, that "real" music, music that illuminated your inner being in this way, had always to be *sung* music, and that the art of such singing was a gift that only a few lucky people would ever be able to practise.

Later on I came to learn that the last conviction was the most reliable – the others were gradually amplified, and corrected, by other inspiring musicians, instrumentalists and singers with other kinds of voices and personalities. But to this day I retain the feeling of an Aurora-like awakening from sleep which the experience achieved in me.

Victoria de los Angeles, the singer in question, celebrated last month her 70th birthday. As (to judge from a recent series of Radio 4 interviews with her) she remains a person of undimmed spiritual and emotional radiance, it gives me peculiar pleasure to think that this small reminiscence may also serve as a timely tribute and expression of private gratitude to a great and glorious artist.

Victoria de los Angeles: an enchanted emanation of music itself

Music/**Richard Fairman**

# Bowled over by Beethoven

Nobody should doubt the importance of music-teaching in schools. My school used to run regular trips to London for concerts and operas, usually one or two a term. It was as much an excuse for an evening out as anything else, but at least young minds came to associate music with having a good time, which is no bad thing.

My first outing was to *The Magic Flute* by Sadler's Wells Opera, about which I remember nothing except that Sarastro's priests were dressed in a gaudy orange which I thought very tasteless.

The next trip made more of an impression. Indeed, it changed the direction of my life. We went to the penultimate night of the Proms, an excellent seat I recall, directly above the royal box. (It was possible to drop sweet-wrappers down on to the crown below.) The main work was Beethoven's Ninth Symphony, which I had not heard before, and even the vagaries of the Royal Albert Hall's acoustics could not dull the music's power (I distinctly remember seeing the conductor finish the symphony and the promenaders jump to their feet *before* I heard the final chord). The thrill and power of the music left my head spinning. I went out the next day and bought my first classical record.

The only comparable experience came years later. English National Opera had put on a production of Massenet's *Werther*, then a rarity, for Janet Baker. The first two acts seemed to me sentimental in just the way I had imagined Massenet to be from the snobbish criticism he used to get in those days, but the third act held me *rivetted*. As Werther and Charlotte circled each other at their fateful Christmas Eve meeting, I was swept away with the intensity of it to a world far removed from St. Martin's Lane.

Only when the curtain came down for the interlude did I regain my bearings. My forehead felt cold and damp, so I lifted a hand to wipe the sweat from my brow and was surprised to find bits of paper stuck to my fingers, dropping on to my face. I had just ripped the programme to shreds. What the people around me thought I do not know. Either they had been as engrossed as I was or they were asleep. Unfortunately, given Massenet's lack of popularity with British audiences, I suspect the latter.

Deep into the soul: Robert De Niro in 'The Deer Hunter'

Film/**Nigel Andrews**

# Shell-shocked by Cimino

A seminal experience, announced the arts editor. Something that changed your life and sparked your love affair with the art of your choice. Something that made you what you are today. We journalists know this kind of piece. It is the equivalent of being told by your employer, "Here is a length of stout rope, over there is a tree-branch."

"Made me what I am today" – but what am I? And what film should be maligned by being held responsible?

First I would have to subpoena two childhood memories, *The Wizard Of Oz* and *Prince Valiant*. These made me fall in love with the *experience* of filmgoing. The first sent shockwaves of delight through me by turning without warning from black-and-white to colour: something I had no idea could be done either in life or in cinema. The second film, in which Robert Wagner fought a bunch of Arthurian baddies with nought but a broadsword and pudding-bowl haircut, proved revelatory in the fact of being seen at a morning screening. My parents took me to it in the West End. Aged eight, I could not believe that bliss could start so soon after daybreak.

I must also record an adolescence devoted to Gothic cinema. Vincent Price never knew how passionate a following he had among the students of Lancing College, Sussex. We roamed the streets of Brighton in search of Mr Price and Mr Poe. *The Pit And The Pendulum*. *Tales Of Terror*, *The Haunted Palace* – these movies were succulently preposterous where others were portentous. They soared to idiot heights and plumbed charnel depths. They taught us that flimsy-budgeted, fly-by-night art could be as kinetic and imaginative as – often more so than – the fatter, costlier products of the the world's dream factories.

But if I must isolate and enthrone one movie, let it be a later one. Some films are so powerful that they risk sending you out of the cinema rather than holding you inside. As a child I fled *Invaders From Mars* in terror. More recently *Reservoir Dogs* built up an atmosphere of evil so strong I kept making a mental dash for the exit door. But I have never been dragged through so many strong emotions, with such a merciless guiding intelligence, as in Michael Cimino's *The Deer Hunter*.

I still believe that Cimino is a giant that Hollywood squandered rather than – usual version – a spendthrift egomaniac who half-bankrupted Hollywood. Like *Heaven's Gate*, *The Deer Hunter* creates an entire community from the ground up: something no other modern film-maker is capable of. The film's Russian-American steel town is so well-painted, so densely characterised that you can feel it, touch it, smell it. And when the film goes to Vietnam, its fictionalised scene of psychological torture – the maligned "Russian Roulette sequence" – has a power on first viewing that leaves you almost literally shell-shocked.

This is what cinema can do and should do: take you to a part of yourself and your emotions you never knew existed. If *The Deer Hunter* was not the literal truth about the Vietnam war, it was something more. It began by making the cinema a window on the real world; then it turned that window into a wound-opening into the American soul and the souls of all us.

In the years after its release and its multiple Oscar sweep *The Deer Hunter* became politically incorrect. All the way from its demonisation of the Vietcong to its supposed ill-treatment of animals, the movie became a giant whipping boy for right-on thinkers. I know: I was there at the National Film Theatre interviewing Cimino on stage on the day protesters threw firecrackers among the audience.

No movie reaches greatness without offending someone. Such provocations are the sign of a high-voltage imaginative experience wired to real events in a real world. A short list of films that have been deemed politically incorrect would include *Birth Of A Nation*, *Napoleon*, *Battleship Potemkin*, *La Regle Du Jeu* and *The Searchers*. *The Deer Hunter* belongs right up there in that company.

Pop Music/**Antony Thorncroft**

# My hero with the pelvic thrust

It was a photograph in *Picturegoer* around 1956 which first caught my attention: the sneer on the young man's face as he challenged the camera, and then the body contorted from the waist down, with a guitar provocatively tilting up into the imagination. I read that an Elvis Presley was causing consternation in the US, with his pelvic thrusts. As a teenager I had found my hero.

Then came the movies, standard boy meets girl stuff but enlivened with ballads which seem so innocuous now, but were so full of forbidden fruit then. "Don't" was my favourite; then "Teddy Bear". I adapted them both for the recorder, the only musical instrument known at school, and developed the party trick of playing them through my nose, while singing.

Hearing the actual Elvis records was difficult. BBC Radio refused to acknowledge the existence of this new phenomenon, the youth market. It still believed that when a boy or girl left school at 15 or 16 they turned into carbon copies of their parents in terms of dress, manners and leisure interests. Students were different – they liked jazz.

But if the Light Programme was an Elvis Free Zone, Radio Luxembourg knew differently. So through the crackle and the inevitable commercials for Horace Batchelor's football pools system I got my Elvis fix. I even took my enthusiasm to the pitch of writing a poem, "Shake, Elvis, Shake", which is thankfully obliterated from memory, apart from the couplet "to reach a fulfilment / in definitive movement".

The love affair with Elvis did not survive the appearance of Buddy Holly, and then the more intellectually challenging popsters, Bob Dylan and the rest. I do not think I was ever that keen on Elvis's records after the first year or so. It was what he stood for that changed my life. He transformed the world as much as any person this century. From his success came the modern music industry, fashion industry, entertainment industry; the "me" generation, sexual revolution, the universal wish for self-gratification.

Elvis Presley: he transformed the world

Elvis never progressed beyond the spiritually poor, under-educated Southern boy, just this side of white trash. But in the hands of Dylan and the singer-songwriters that followed, the Joni Mitchells, Leonard Cohens, Paul Simons, Jackson Brownes and hundreds more, a new art form, the art form of the democratic age, of the youth generation, of the global market came forth.

Much that followed, especially the crass commercialisation, and the kicking down of all restraints, which opened the way for drugs, was awful and dispiriting. But Elvis released the repressed energy and idealism of youth. He marked the divide between Them and Us – Them, the old world, old values, the snuffers out of youth. Us, the first wave of the new world, which within a decade would completely sweep away the past. The Light Programme became *Radio One*; *pop pirates became* commercial radio; the Beatles got their MBEs; London Swung; the UK gave the world its voice. Presidents, Prime Ministers and Popes got younger.

Spoken Word/**Gary Mead**

# Now you can tune into a Penguin

*"Hello children, are you sitting comfortably? Then I'll begin..."*

Anyone old enough to recall Daphne Oxenford's words at the start of each episode of the radio programme *Listen with Mother* will have no trouble in immediately placing Margaret Thatcher's reading of her book The Downing Street Years (four cassettes, six hours, £14.99 HarperCollins Audiobooks). The odd thing is that Thatcher's patronising "I know what's good for you" tone quickly becomes tiresome in the absence of those manically staring eyes, inevitably absent on an audio tape.

Despite that, her recording could be the best-selling audio tape in the run-up to Christmas; it has sold 17,500 copies since its October launch.

But that is a one-off. Of much greater importance in spoken word publishing has been Penguin's launch into this highly competitive market in November, backed by a £50,000 marketing budget. Penguin will not say how well sales are going, but its decision to enter the audio book field is logical: the UK spoken word market, currently estimated to be worth as much as £46m, is growing at some 10 per cent annually; book sales are shrinking for all but the most commercially successful best-sellers; and Penguin has an impressive backlist which converts naturally into a powerful spoken word collection.

It has published 15 titles so far, including Derek Jacobi reading The Iliad; Dirk Bogarde reading his own book A Short Walk From Harrods; versions of Dracula, Madame Bovary, and Of Mice and Men; Hotel Pastis read by its author Peter Mayle; and some Beatrix Potter tales.

The version of The Iliad (£19.99, nine hours on six cassettes, abridged extracts) is everything Margaret Thatcher's reading is not. Jacobi has become almost synonymous with Greek and Roman classical literature ever since his television depiction of the Roman emperor Claudius. His reading here is marvellous, evocatively distinguishing between characters, deploying a wide tonal and rhythmic range for different events and moods. The only quibble is that the abridged extracts are linked with a "connecting narrative" by Maria Tucci, whose slack American vowels sit most uncomfortably with the crisp, clear authority of Jacobi. The largest market for audio books is the US, and Tucci's superfluous presence can only be seen as Penguin genuflecting towards that audience.

Claire Bloom reads Madame Bovary (£7.99, abridged, three hours), another well-matched voice and subject, with Bloom's voice extending across the full spread of Flaubert's shades of irony and cynicism. On the other hand Richard E. Grant, who reads Dracula (£7.99, abridged, 3 hours), cannot make up his mind whether the count should be rendered as a menacing Transylvanian or a lisping Japanese sounding rather like Riuchi Sakamoto, known for his central role in the movie *Merry Christmas Mr Lawrence*.

But Penguin's version of John Steinbeck's Of Mice and Men (£7.99, three hours, unabridged), read by Gary Sinise, is superb. Sinise's gravelly, nasally, occasionally snarling reading is a model of what can be achieved on an audio book. He has a perfect grasp of the slightest change of pace in the text; he can credibly and instantly switch character and alter his voice to give what is almost a dramatic performance rather than a monologue.

Penguin's presence in the market is going to seriously dent the prospects of some competitors. The Complete Listener, which specialises in unabridged classics, has just brought out The Vicar of Wakefield (£18.00, five hours, seven cassettes) but it sounds as though it was recorded in someone's garden shed. It is going to be impossible to get away with that kind of poor sound quality if Penguin and the other major publishers really push hard.

For besides superb recording quality, Penguin also has a very neat but quite simple marketing idea: telephone sales. Each cassette contains a central London number which can be called to order other tapes; that facility is bound to be popular with the housebound.

But other publishers are going to give Penguin a good fight. Cover To Cover has just brought out a handsomely boxed set of Thomas Hardy's The Woodlanders (£29.99, 10 cassettes, unabridged, 15 hours 25 minutes), beautifully read by John Rowe. Others in the same series are Jane Austen's Emma (read by Prunella Scales) and Northanger Abbey (read by Anna Massey) and Far From the Madding Crowd (read by Stephen Thorne).

Penguin has chosen to abridge most of its audio books, unlike Cover to Cover and some other publishers. The debate about full or edited versions will no doubt rage forever, but the example set by The Woodlanders shows how important a full version is. Hardy's descriptive passages could so easily be cut to save time; but just as no-one would wish to read a slashed Hardy novel, it is difficult to see why anyone would want to listen to a heavily condensed version.

With a reader who is up to the task, and a text that is rich in subtle movements, abridgement is butchery, as is to some extent established by Penguin's chopped version of Madame Bovary, where character motivation is often rather inexplicable, due to the condensing which has been made to get it to fit into three hours. It's also a strange translation in places; why render "diploma" as "school degree" unless it is to lead supposedly ignorant US listeners by the nose?

The same can be seen even more strikingly by comparing two competing and newly released versions of the same novel, The Choir by Joanna Trollope. The HarperCollins version (£7.99, two cassettes, three hours, read by Patricia Hodge) is almost incomprehensible at times, such are the elisions made in the pressing need to cut text to fit a preconceived length. Moreover, Hodge's enervated reading suggests a palpable disinterest in the text.

By comparison the Isis Audio Books *unabridged* version (£19.99, six cassettes, eight hours 30 minutes) not only does an infinitely better job of situating character and building tensions, it is also read by Carole Boyd (Linda Snell of the BBC radio serial *The Archers*) with real vigour and verve.

A "star" reader is not always a good bet; as Listen for Pleasure's (EMI) abridged version of the Colin Dexter Inspector Morse novel The Way Through The Woods (£6.99, two cassettes, three hours), read by Kevin Whatley, demonstrates. It must have seemed a clever idea. Get Whatley, who gave excellent value as Morse's sidekick Sergeant Lewis in the TV Morse series, to make an audio book of a Morse novel. But it completely backfires. Whatley has no modulation of voice, no sense of rhythm, and all characters and incidents blur into one stream of porridge. Tring Audio Books runs into precisely the same problems by getting George Kennedy – an excellent Hollywood character actor – to read a butchered version of Moby Dick (£4.99, two cassettes, three hours). Kennedy cannot read to save his life; just because he has a rich American voice does not mean he is the best person to read a rich American novel.

The pro-abridgement camp – of which Penguin seems to be a member so far – argues that listening to a book is not the same as reading it, so cutting is not just legitimate but proper. A subsidiary argument is that people either do not have or are not prepared to devote the time necessary for a complete reading.

Neither argument holds water. Being read to is a much greater pleasure with the full density of a good author's prose. As for considerations of time, a good performance grips and entices; and nothing can save a bad one from being quickly switched off.

A case in point is another Isis publication, Spike Milligan's Where Have All The Bullets Gone? (£19.99, six hours 30 minutes), read by Spike himself. To have cut this bravura comic performance would have been absurd; and it is actually greater fun to have Spike deliver the text than to read it flat on the page. The same is true with the Chivers Word For Word unabridged version of Tom Sharpe's novel Porterhouse Blue, read by Griff Rhys Jones (£16.99, six cassettes).

But for sparkling audio comedy the BBC, which thanks to its massive audio output has about 50 per cent of the audio cassette market in the UK, still leads the pack.

The BBC has just released a mini-collection called Canned Laughter, including single cassettes of the radio comedy Radio Active – featuring a peculiarly hirsute Angus Deayton on the cover – Knowing Me, Knowing You, and The Nick Revell Show, all £5.99.

But who on earth will buy An Evening With Johnners (Listen for Pleasure, two cassettes, two hours, £6.99)? Brian Johnston, cricket commentator and after-dinner speaker, goes in for terrible puns and low jokes. A sample: "I once went into an Indian restaurant where they served up Boycott curry; you still got the runs but more slowly." Now an abridged version of *that* would be a happy release.

London

# Lessons of a splendid time for gilts

*By Peter Martin, financial editor*

You would think, from the fuss that has been made about the stock market's performance in the last few months, that 1993 had been a particularly fruitful year for equity investors.

In fact, the 20.6 per cent rise in the FT-Actuaries All-Share index from the end of last year to the middle of this week is good but not spectacular. If these gains are preserved until December 31, this will only be the tenth best year since 1970, ranking below all but one of the years of the great 1980s rally.

The really striking performance by historical standards this year has come from gilts. The FT Government Securities index passed the 100 mark for the first time in years, and the FT-Actuaries All Stocks index of gilts rose 10.4 per cent, the highest figure since 1982 and one of only five double-digit rises in nearly a quarter century. Gilts benefited from a worldwide fall in interest rates – the long end of the US treasury market apart – and from a belief that chancellor Kenneth Clarke's first Budget represented a serious attempts to get the government's borrowing under control. In the past month, gilts have delivered the best performance of all the world's main government bond markets.

Still, when you take dividends and interest into account, equities retain the lead for the year as a whole. The FT's latest Monday table, showing the total return on all asset classes, gives a 22 per cent return on 7-10 year gilts and a 28 per cent return on UK equities.

This comparison is a tribute to the traditionally generous dividend policy of UK companies. It also tells us something important about the way companies have weathered the recession. Though 1993's dividends were paid on results ravaged by the recession, they stayed high: in fact, on S G Warburg's estimates the market paid out 6½ per cent more in dividends this year than it did last.

You can interpret the grim determination with which British boards kept up their dividends in two ways, optimistic and pessimistic. The optimistic view is that if UK plc was still able and willing to raise dividends in the teeth of the recession, it will be committed to keeping them growing in the years to come. Steady dividend growth and low long-term interest rates will provide a strong valuation underpinning for the market. That will help push the FT-SE to the 4,000 mark that is being talked about as the next peak on the horizon, now that 3,500 looks comfortably within reach.

The pessimistic case is that keeping dividends up has strained historical ratios. Cover – the extent to which dividends are covered by earnings – has dropped to around 1.5 or so, if you exclude the utilities, a figure that is well below traditional levels. The normal pattern is that as the economy recovers, profits rise sharply and cover is rapidly restored. But, as a letter from a reader, A H Carter, of Kempsey, near Worcester, points out, the low inflation rate which has contributed to low bond yields and this year's stock market performance has another consequence.

He argues that lower inflation will cap prices. "There are 1bn workers in China and eastern Europe willing to work for under £2 an hour," he says, "and they will be given the opportunity." These factors will limit profit gains. Cover will need to be rebuilt, so "dividends may rise, but only marginally." His conclusion is that as interest rates fall, investors will again become risk averse, and equity yields will end up higher than the yield on gilts, as used to be the case until the 1960s.

Even without pushing the argument that far, Carter has a point. Is equity enthusiasm based in part on a fervent belief in a free lunch? There are many aspects of low inflation which are good for equities: falling interest rates, a more stable business environment, and so on. But the supply-side factors that hold prices down, including overcapacity and the growing competition from low-cost producers, are not good for those companies exposed to them.

The chart of the best and worst-performing sectors in the All-Share, shown above, may be hinting at some of these forces. Not surprisingly, the best performers are companies that stand to benefit most from low interest rates, especially property companies and banks. In general, though, all the sectors with specially strong performances this year benefit from being protected from the price competition that has become endemic among manufacturers.

Down at the bottom of the performance rankings come sectors where pricing power is under threat. Food retailers and manufacturers, for example, risk a supermarket price war. The pharmaceutical companies that dominate the health and household sector face a worldwide attack on drugs prices by governments and health insurers. And the drinks companies' strategy of pushing up margins to compensate for flat or falling volumes has run into problems this year.

Perhaps the striking outperformance of smaller companies, shown in the other chart, also owes something to this factor. Smaller companies, in general, are better protected from the fierce winds of international price competition than their larger rivals. And the second-tier stocks – those represented by the FT-SE Mid 250 index – are dominated by utilities, with regulated prices.

Even commercial television companies face greater competition, though you might not think so from the performance of media stocks, up 33 per cent on the year. The driving factor here, of course, has been the rush to merge, leading to the hostile bid by Granada for LWT. As the industry switched off its collective brain for the Christmas viewing season, the outcome of the bid was still in doubt.

LWT's main defence manoeuvre – an elaborate attempt to merge with Yorkshire-Tyne Tees, then sell off the Tyne Tees franchise to Anglia – seemed to be getting nowhere. That left the LWT board to appeal for shareholder loyalty on the basis of an exemplary management record. Since Granada's cash alternative is a low one, shareholders will mostly be deciding on the basis of its offer of shares. They will have to make up their minds whether they prefer the long-standing performance record of the LWT team to the impressive recovery staged by the new men at Granada.

The City has been enjoying the week before Christmas, cheerfully playing the traditional festive game of squeezing market makers caught short of stock ahead of the holidays – a routine which contributed to yesterday's 40.8 point rise in the FT-SE 100 index, to a new record close of 3,396.5. During the day, the index passed through the 3,400 level for the first time.

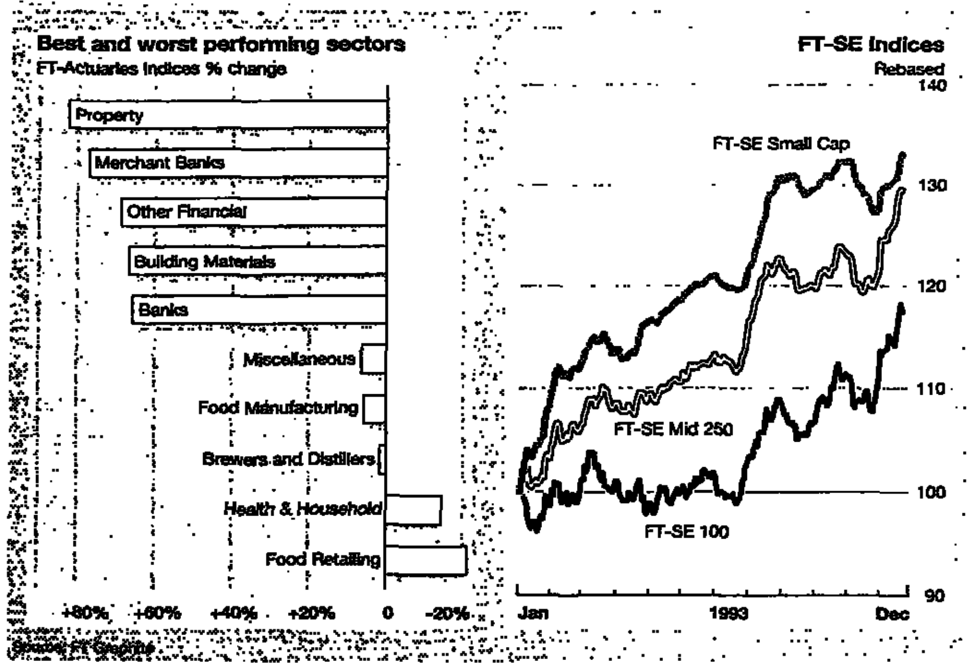
The week also saw a flurry of corporate news. Lasmo eased its debt problems by selling a stake in the Liverpool Bay gas field to PowerGen. Together with a clutch of other assets, this raised £123m.

Unilever strengthened its position in the ice-cream business – one of its strongest sectors – by buying control of France's biggest independent producer Ortiz-Miko. The company has 18 per cent of total French ice-cream sales, giving Unilever the country's sales leadership, with roughly a third of the market. The deal is valued at around £220m, a mouthful for most companies but no more than a threepenny cornet for Unilever.

Perhaps the biggest corporate development, however, was the government's announcement that it plans to open all British Gas's domestic markets to competition. The shares had reached a record high of 360p last week, as investors decided that the government was not, after all, going to break up British Gas.

Though Tuesday's announcement confirmed that guess, the news of the competition decision came as a nasty shock. The shares lost 10p on the day, closing yesterday at 336½p, a fall of 20½p since last week. It was yet another piece of evidence that even in the utility sector, price competition is breaking out all over.

Equities in 1993




Source: FT Graphite

**HIGHLIGHTS OF THE WEEK**

| | Price y'day | Change on week | 1993 High | 1993 Low | |
|---|---|---|---|---|---|
| FT-SE 100 Index | 3396.5 | +59.4 | 3396.5 | 2737.6 | Squeeze on market makers |
| FT-SE Mid 250 Index | 3762.8 | +71.1 | 3762.8 | 2876.3 | Private investor activity |
| Argyll | 276 | -8 | 407 | 246 | Margin worries/Hoare negative |
| Berisford Intl | 127 | +20 | 141 | 100 | Results/acquisition hopes |
| British Gas | 336½ | -20½ | 361½ | 276 | Domestic gas monopoly removed |
| Enterprise Oil | 446 | -18½ | 521 | 397 | NatWest "sell"/Elf stake overhang |
| Granada | 534 | +14 | 536 | 341 | Awaiting LWT bid developments |
| GRE | 222 | +10 | 230 | 160 | Flemings "buy" recommendation |
| Kleinwort Benson | 595 | +42 | 599 | 312 | New management structure |
| Next | 226½ | +14½ | 226½ | 139¼ | Second line stores strong |
| Perkins Foods | 67 | +7 | 115 | 58 | Yield buying/SGST positive |
| Reed Intl | 908 | +64 | 908 | 618 | Analyst's "buy" note |
| Reuters | 1880 | +122 | 1885 | 1240 | Quotron bid rumours |
| Unilever | 1209 | +37 | 1249 | 938 | French ice cream purchase |
| Wilson (Connolly) | 215 | +22 | 216 | 147 | Kleinwort Benson "buy" note |

# Directors regain that ring of confidence

It has been a great year for UK stock market investors. But how did it match up to our monthly director confidence ratio?

From January to June, directors showed little interest in acquiring their own shares - indeed, the level of buying was, more or less, matched by selling throughout that period. Historically, that is a fairly bearish statistic.

Boardroom sentiment improved dramatically in July, though, with the buy/sell ratio moving back up to 2.5/1. Shortly thereafter, the market moved out of its 2,800-2,950 trading range and breached the 3,000 barrier. The only other month when the buy/sell ratio hitched over 2.5/1 was November – and we know how well the market has performed since the Budget.

Overall, the balance between buying and selling by directors continues to provide a remarkably accurate indication of stock market trends, although there were fewer wild fluctuations in the ratio during 1993 than in previous years. That might be explained by the relative maturity of the present bull market phase. Yet, many of the stocks that featured prominently last year have reappeared at various stages throughout 1993, and not always with the same story.

Martin Sorrell's WPP was tipped widely as a prime beneficiary of increased advertising spending during the year, so the bulls had a field day when he bought 100,000 shares at 55p in January. The previous year, he had acquired 200,000 shares at between 34.5p and 39p. In September, the price hit 105p, but Sorrell sold 850,000 at 92.5p in November and the price has fallen since.

Richard Peskin, the high-profile chairman and managing director of Great Portland Estates, a leading property group, has shown equally deft timing. Peskin has long been critical of the stock market's reluctance to rate property shares more highly, and he has sought equally consistently to capitalise on this perceived valuation discrepancy by buying significant chunks of his own stock. His largest purchase was a line of 500,000 shares in December 1991, but he continued to buy throughout 1992 at prices as low as 104p.

The subsequent performance of the property sector has proved him right, and Peskin sold 750,000 at 225p three weeks ago. Many of his peers in the sector also have found it difficult to resist the temptation to take profits in recent weeks.

Tom Buffett, chairman and chief executive of Automated Security, is another who has cause to celebrate 1993. In March, he sold 200,000 shares at 157p, taking a handsome profit on the 173,000 he had bought in the previous year at 85p. The third-quarter results announced in October revealed profits down sharply, and the shares fell dramatically. Buffett seized the opportunity to buy back, picking up another 250,000 at just 101p. That purchase already seems been timed sweetly.

This finely-timed execution is usually shown by individual directors, but there are occasions when the whole board deals just as effectively. In April, nine directors of of insurance broker Steel Burrill Jones sold over 1m shares at 234p. In September, the company announced losses at the interim stage, catching the market unawares.

The share price decreased rapidly and 10 directors bought a total of 125,000 at 144p. As a general rule, you should always be wary when directors sell heavily at the top and then re-invest only a small proportion of their proceeds, so Steel Burrill Jones will be an interesting one to watch.

The above are examples of two-way trading by directors, but many have absolutely no inclination to buy back into shares they have sold. One such would be Melvyn Marcus, deputy chairman of Queens Moat Houses.

When he sold 1.1m at 57p just days before the company entered its closed period in February, there was little obvious sign of trouble. Subsequent events, including the departure of Marcus, have shown that the company was virtually insolvent and its fate now lies in the hands of the receivers.

Just as Marcus is in no position to sell more shares, even if he wanted to, the three directors who bought stock in Erskine House in April are in a similar position. Having bought heavily at around 31p, directors of the troubled photocopier group made a killing only weeks later when they agreed to be taken over by US-based Alco at the equivalent of 90p. Ordinary investors can only marvel at this sort of conspicuous success.

Inevitably, while there are countless examples of directors making a killing, there are also one or two occasions when their timing is a little less than perfect. Probably the most unfortunate of these was Lord King's purchase in Babcock International, where he is chairman. During two days in July, King spent almost £150,000 acquiring stock at around 36p. The interim results in October revealed recovery was not as advanced as had been hoped, and he is still nursing a paper loss.

Doubtless, 1994 will continue to provide us with many more examples of directors enhancing or protecting their wealth – and perhaps one or two cases where they prove that they, too, are fallible.

***Colin Rogers, the Inside Track***

**DIRECTORS' SHARE TRANSACTIONS IN THEIR OWN COMPANIES (LISTED & USM)**

| Company | Sector | Shares | Value | No of directors |
|---|---|---|---|---|
| **SALES** | | | | |
| Abbeycrest | Misc | 5,432,071 | 3,911 | 1 |
| Berkeley Group | C&C | 15,000 | 73 | 1 |
| Booker | FdMa | 8,088 | 33 | 1 |
| British Land | Prop | 60,000 | 257 | 1* |
| *CALA* | *C&C* | *852,533* | *1,006* | *2** |
| Compass Group | C&C | 45,219 | 289 | 1* |
| Critchley Group | Elcs | 70,000 | 290 | 1 |
| David Lloyd Leisure | H&L | 40,000 | 80 | 1* |
| Diploma | Elns | 257,000 | 1,414 | 2 |
| Grand Metropolitan | Brew | 88,446 | 399 | 2* |
| IMI | EngG | 9,000 | 27 | 1* |
| Jarvis Porter | Pack | 76,651 | 207 | 1* |
| *Lambert Howarth Grp* | *Misc* | *8,500* | *20* | *1* |
| Marks & Spencer | Stor | 10,000 | 44 | 1 |
| Moorfield Estates | Prop | 100,000 | 47 | 1 |
| Morris Ashby | Metl | 17,632 | 31 | 1 |
| Norbain Electronics | Misc | 50,000 | 145 | 1 |
| Oriflame Intl | Stor | 50,000 | 160 | 1 |
| Osborne & Little | Misc | 100,000 | 227 | 1 |
| Oxford Instruments | Elcs | 90,000 | 266 | 1 |
| Pearson | Med | 80,000 | 354 | 1* |
| Radio Clyde | Med | 100,000 | 357 | 1 |
| Standard Chartered | Bank | 50,000 | 611 | 1* |
| Sterling Publ Grp | Med | 250,000 | 410 | 1 |
| Vaux Group | Brew | 8,000 | 22 | 1 |
| **PURCHASES** | | | | |
| Abbeycrest | Misc | 50,000 | 38 | 2 |
| Baird (William) | Text | 20,000 | 46 | 1 |
| Blenheim Group | Med | 20,000 | 65 | 1 |
| CALA | C&C | 95,000 | 112 | 3 |
| Caledonia Inv | OthF | 5,000 | 31 | 1 |
| CrestaCare | Hlth | 300,000 | 102 | 2 |
| David Lloyd Leisure | H&L | 40,000 | 80 | 1 |
| Dorling Kindersley | Med | 50,000 | 115 | 1 |
| F & C Eurotrust | InTr | 68,000 | 149 | 1 |
| Greenalls Group | Brew | 150,000 | 594 | 1 |
| *Mayborn Group* | *Hlth* | *9,299* | *20* | *1* |
| Mercury World Min'g | LRI | 335,000 | 335 | 6 |
| Royal Bank of Scot | Bank | 28,000 | 123 | 1 |
| Stirling Group | Text | 75,000 | 41 | 2 |
| Vendome Luxury Grp | Stor | 100,000 | 341 | 1 |
| Wellman | EngG | 296,900 | 58 | 2 |

Value expressed in £000s. This list contains all transactions, including the exercise of options (*) if 100% subsequently sold, with a value over £20,000. Information released by the Stock Exchange 13-17 December 1993.
*Source: Directus Ltd, The Inside Track, Edinburgh*

Wall Street

# A good news year

Just under 12 months ago, who on Wall Street could have imagined that the stock market would be ending 1993 in such robust form and good humour? Share prices are trading near record highs. The economy is growing at a faster rate than expected and corporate profits are improving steadily.

Inflation remains unthreatening, which means domestic interest rates have stayed close to 30-year lows. And the underwriting calendar is as busy as ever at the end of what has been the best year in history for corporate debt and equity issuance. Even the long-dormant mergers and acquisitions business is thriving, with a strong year ending in blockbuster style with a planned $5bn employee-led buyout of UAL, and what could be a winning $10bn bid in the takeover battle for Paramount Communications.

All this and record profits (bonuses, too) for the traders, bankers and deal-makers who have oiled the wheels of the financial markets throughout 1993. At times, it seemed as if Christmas came every other week for Wall Street in 1993.

The year, however, had some downs as well as many ups. There were periodic attacks of anxiety over the direction of interest rates and the possible revival of inflation, in particular during the autumn when prices of government securities nose-dived and long-term bond yields rose sharply.

The stock market's nerves were assailed several times during 1993 by President Clinton's peculiarly cliff-hanging style of making policy and law. His last-gasp legislative victories over the administration's first Budget and, later, the North American Free Trade Agreement may look like successes now but, at the time, the votes were too close for the market's comfort.

Shock waves from overseas also washed ashore occasionally in New York. Trade became a troublesome issue for the first time in recent memory because of Nafta and Gatt (the General Agreement on Tariffs and Trade), while turmoil in foreign financial markets (especially the continued decline in Japanese equities and fresh upheavals in the European currency markets) sometimes took its toll on sentiment in the US. And political crises in Russia and threats of conflict in Korea left US investors rattled at times.

Yet, the good memories outweigh the bad, as they should at the end of any year in which the Dow Jones Industrial Average has risen almost 14 per cent, the Standard & Poor's 500 more than 7 per cent, and the Nasdaq composite index nearly 12 per cent.

As in 1992, the main driving force behind rising share prices has been low interest rates. For almost three years now, these have been persuading investors to shift money out of low-yielding, short-term assets, such as bank certificates of deposit and money-market funds, and into equities where dividend returns and the potential for capital growth look more enticing.

The steadily improving economy, and solid growth in corporate profits, also have helped to sustain stock prices. Then there was the unexpected boost to share values from the return of merger mania. In several key industries – media and entertainment (Paramount and QVC or Viacom); telecommunications (McCaw Cellular and AT&T, TeleCommunications Inc and Bell Atlantic); healthcare (Medco Containment and Merck); and financial services (Shearson and Smith Barney, Dreyfus and Mellon Bank) – factors such as technological revolution, impending regulatory change and a search for efficiency through consolidation forced a host of big companies into strategic unions.

If there was one drawback, it was the tendency among many companies to finance their deals with equity, which led to some dilution of share values.

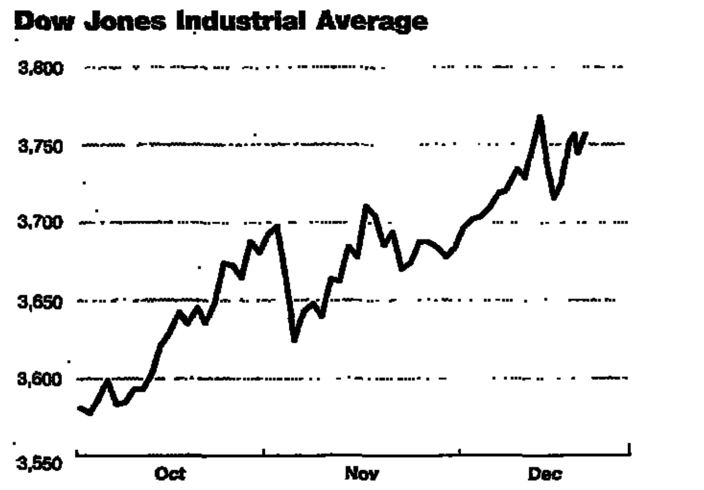
Finally, 1993 also has been a year in which the cream of the country's managers have learned to respect the power of institutional shareholders and investors. Among those ousted because of poor performance were John Akers at IBM, Kay Whitmore at Eastman Kodak, Jim Robinson at American Express and Paul Lego at Westinghouse.

And what of 1994? The view that the bull market has run its course, and that rising interest rates will force a correction in over-valued share prices early next year, is gathering support. It is a persuasive argument, but the Christmas spirit should be strong enough to allow Wall Street to put aside doubts about the future and enjoy the last few days of a remarkable year.

***Patrick Harverson***

| | |
|---|---|
| Monday | 3755.21 + 03.64 |
| Tuesday | 3745.15 – 10.06 |
| Wednesday | 3762.19 + 17.04 |
| Thursday | |

**Dow Jones Industrial Average**




Source: FT Graphite

Frivolous Money

# So you want to get rich quick...

*By Philip Coggan, personal finance editor*

The time has arrived to give the fragile economic recovery a kick-start by displaying the entrepreneurship on which the health of 1990s' Britain depends. After studying personal finance developments of the past year, I am setting up a subsidiary, Coggo Enterprises, to offer new products exclusively to *FT* readers. The attractive range includes:

■ **The Emerging Planets fund**
China, Vietnam, and Tajikistan are old hat already. Serious growth investors are looking beyond the emerging markets and towards the solar system. Think of the tourist possibilities of Mercury, the sunshine planet. Calculate the mineral deposits on Mars, the gas reserves of Jupiter and the refrigeration facilities available on Pluto.

Serious profits will be made *only by those who invest early.* Send a cheque now and we guarantee your money will be invested in the first interplanetary stock market companies to be quoted. In the short term, of course, opportunities will be limited, so no dividends will be paid.

■ **The cut-price, fixed-rate mortgage**
Just 1.99 per cent*. No, you are not dreaming. The lowest mortgage rate since Ethelred the Unready defaulted on his castle repayment plan – and it is fixed for a whole year. Conditional only on clients taking out an endowment policy, personal pension policy, home contents and building insurance, washing my car every Thursday and letting the firm's employees use your house at weekends.
**APR 49.6 per cent.*

■ **The surefire personal pension**
*Why depend on your employer,* or the stock market, for your pension? Simply go out and sell personal pensions to other people and invest the healthy commission income in your own pension plan. It is so easy that you can look forward from the start to retiring in Barbados. We send you the whole package, including completed fact-finds to save your clients all that unnecessary paperwork.

Simply get them to fill out a direct debit and, to keep the regulators happy, ask them to complete the following sentence in less than 12 words: "I would like to opt out of my government-guaranteed, index-linked pension which has full death benefits because..."

■ **The very, very high income fund**
Dissatisfied with single-digit income plans? Not tempted by a measly 10 per cent or so? The very, very high income fund guarantees to pay you an income of 20 per cent a year over five years.

> *'Serious growth investors are looking already towards the solar system'*

Yes, that's right. Your capital is returned in full and tax-free over the five years. At the end of the period you might also, in certain circumstances*, receive a lump sum equal to your original investment. Minimum: £10,000 or the equivalent in any other currency. (At Coggo Enterprises, we are not fussy).
**Only if England win the World Cup in 1998 and Arthur Scargill becomes prime minister.*

■ **The warrants warrant fund.**
Namby-pamby financial services groups have simply failed to provide investors with products which have the right kind of *risk-reward profiles* for today's go-go stock markets. The warrants warrant fund fills a niche.

It buys warrants, which entitle the holder to buy warrants, which in turn entitle the holder to buy the capital shares of highly-geared split capital investment trusts. If the stock market grows at a modest 25 per cent a year until 2000, investors who put £1,000 in the fund will have a holding equivalent to the GNP of Canada.

To protect investors against the down-side, we supply a ready-made writ so you can sue the Bank of England for allowing the fund to exist when, as is 99.99 per cent certain, you lose the lot.

■ **The Rockall umbrella fund.**
The ultimate offshore product, which is out of reach of all the world's tax authorities*. The Rockall umbrella fund has more than 400 sub-funds (everything from Algerian bonds to Zambian smaller companies). You are allowed as many switches between funds as you like in a calendar year. Indeed, the more the better, since we get 2 per cent every time you make a change.
**And of you, when you want your money back.*

■ **Critical reports insurance**
Fed up with all those critical reports from regulatory bodies? Worried how you are going to pay the fines? For a modest premium, our policy will guarantee to pay off the fine and meet the regulator's costs. We will also issue a standard press release saying: "These problems are all in the past. The people concerned have been dismissed. We are confident in the ability of our staff to serve the public and in the attractions of our endowment/personal pension/single premium policy" (delete where applicable).

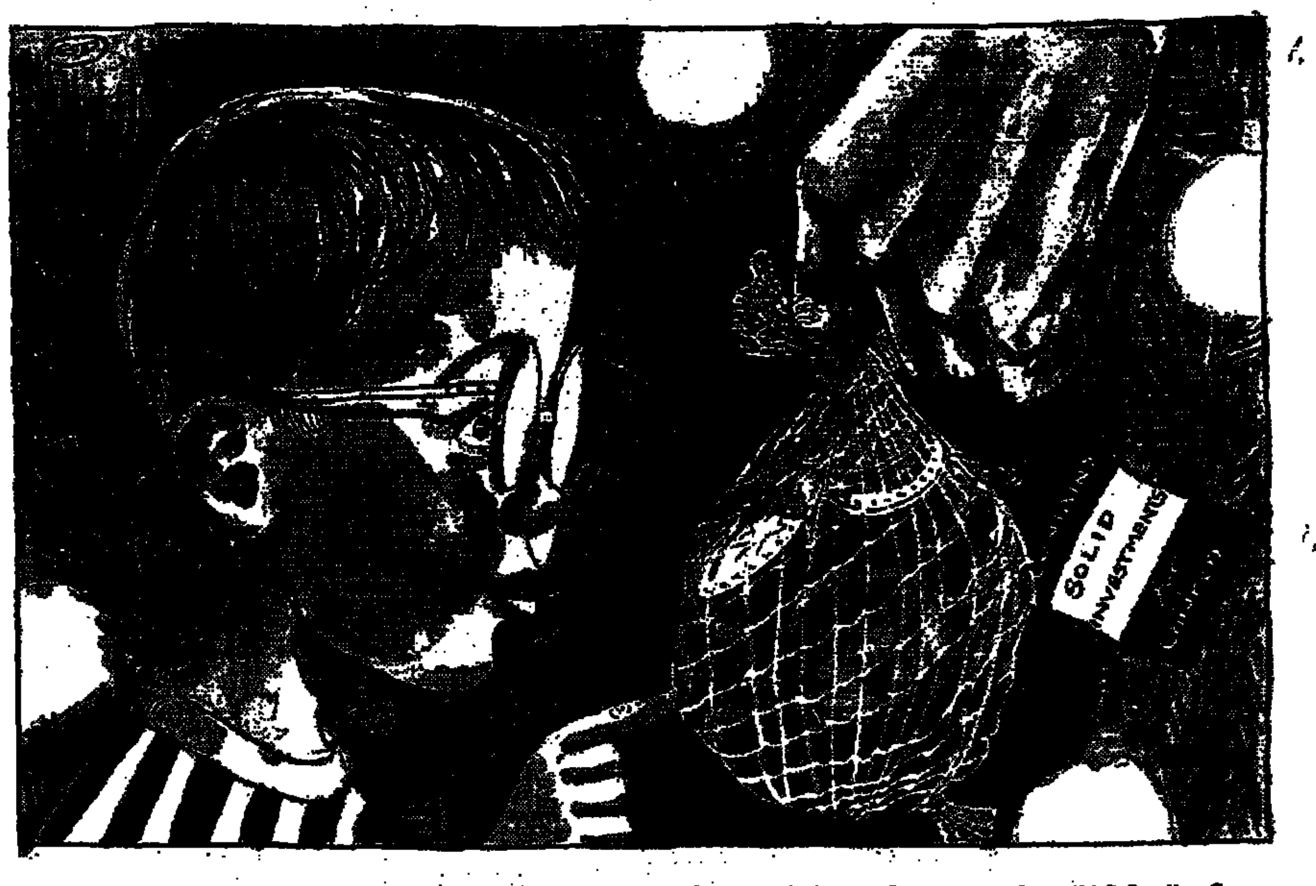
*(Select your policy from SIB, Lautro, SFA, Imro and Fimbra varieties. When it comes to Consumers' Association reports and quotes from Jean Eaglesham, you are on your own.)*

If you wish to take up any of these policies, please send all cheques to the Old Hacks Retirement Fund, The Big Yacht, Somewhere in the Caribbean Hiding from the UK Regulatory Authorities.

Merry Christmas.

# How to give children a gift that grows

*Scheherazade Daneshkhu looks at presents with long-term benefits*




Your children tear open their Christmas cards tomorrow to find that some include £10 notes from godparents while grandmother has written out a cheque for several hundred pounds. You also want to make them a cash gift.

Before they get too excited, warn them that you will be taking away most of the money to invest for when they are older. They may not thank you now – but should be grinning eventually when they see the number of noughts added to the original gift. But there are several things you need to watch.

■ **The tax position**

Anthony Fraser, of independent financial adviser Fraser Marr, says that before investing the money "a sensible precaution is to document the source and who it is for – by means, in the case of a grandparent, of a simple grand-parent gift letter. This is important to avoid an investment being taxed as the parent's own, rather than taking advantage of the child's tax exemptions and allowances."

The provisions of Section 663 of the Taxes Act 1988 relate only to gifts made by a parent to a child. This results in income derived from the assets being taxed as though the income is the parent's (except where the income is less than £100 in a tax year).

To get around this provision, Barry Stillerman, of accountant Stoy Hayward, suggests a parent should invest in tax-free investments such as some National Savings products and investments which produce no income – say, zero dividend preference shares (see below).

"If you wish to gift money and place the proceeds on deposit, then a simple 'bare trust' could be the answer, provided you are prepared to lock away the money until the child is 18 years of age," Stillerman adds.

Inheritance tax is another consideration for parents wanting to make gifts to their children or other members of the family. Up to £3,000 a year can be given away without being considered a potentially exempt transfer (a gift is potentially exempt because it will be liable to IHT if the donor dies within seven years of making the gift).

You can also make a gift of up to £250 in any tax year to any number of individuals without liability to pay IHT.

The £3,000 relief can be carried forward for one year only. So, if you have not used up any of last year's exemption, you can give away as much as £6,000 this tax year without risking IHT.

Regular gifts to members of the family may escape IHT altogether; this is a much neglected provision. "If your income less tax and your normal annual spending leaves you with a surplus, then such gifts may be made out of this surplus," says Stillerman.

"If, for example, your income is £100,000 and your income tax bill £35,000 each year, then you have £65,000 to spend. If you spend only £50,000 a year, then there should be a surplus of £15,000, and so you could make regular gifts out of income up to this figure." But the money must be given regularly and you should record clearly your intention to make a regular gift.

■ **Deposits**

If you are opening a deposit account for a child, the table (provided by *Moneyfacts*) shows a selection of those that yield the highest. Most can be opened with £1. The highest minimum deposit is Norwich & Peterborough's HeadStart savings bond, which pays 6.3 per cent gross on £250 to a maximum of £500,000. Despite its name, it operates as an instant access account.

Skipton's Young Sovereign account is paying 6.5 per cent gross on a minimum of £25 (maximum £3,000) and is also instant access. There is an additional 2 per cent bonus (gross) if no withdrawals are made until December 1 1994.

Children are entitled to their own personal allowance of £3,445, but you need to fill in form R85 (available from banks and building societies) to declare that the child is a non-taxpayer so that the interest is received gross.

■ **Investments**

A low risk investment is the National Savings children's bond, although the rate was lowered last week to 7.35 per cent compound per annum if held for five years. Application forms are not yet in the post offices but you can order one by ringing freephone 0800-868 700. The maximum holding of all issues of the bond (up to and including issue E) is £1,000 but you can, in addition, hold £1,000 of issue F.

The children's bond is an investment which is particularly suitable for parents giving to their offspring since it is tax-free (see tax position above). Another idea for parents is to make use of the child's capital gains tax allowance of £5,800 by investing in zero dividend preference shares, which do not produce income. Zeros are one class of share issued by a split capital investment trust. Since they do not pay a dividend, they have first claim on the trust's capital when it comes to be wound up.

Robert Noble Warren, of Murray Noble, says: "Zeros such as Scottish National and St Davids are generally regarded as safe. Many zeros are on track to produce 6 to 7 per cent per annum, and this should be tax-free in the child's hands up to the child's capital gains tax allowance."

Baby bonds are a long-term savings plan issued by friendly societies. You can invest up to £18 a month (or £200 a year) on behind of the child in a tax-exempt fund, and the lump sum when the bond matures (after at least 10 years) is also tax-free.

Tony Shepherd, of independent financial adviser Shepherd Associates, recommends Tunbridge Wells Equitable's with-profits baby bond. "The past performance has been good despite relatively high charges usually associated with low premium products, but future results may not be so impressive if unit-linked performance is a guide," he says.

Other longer-term investments are unit and investment trusts. According to the Association of Unit Trust and Investment Funds, the easiest way to invest in units for someone under 18 is to establish a designated account: you buy the investment in your own name but add the child's initials to indicate who owns it.

The Association of Investment Trust Companies says the most usual way to place money in such trusts is for an adult to act as a "bare trustee" by registering the shares in his name with the child's name or initials added, to signify that the purchase is not for the beneficial ownership of the adult.

If you are a parent and are investing your own money for the child, you might wish to choose a low-yielding fund to minimise your income tax bill. For those wanting capital growth and higher risk, Shepherd suggests such collective funds as F&C Smaller Companies, F&C Emerging Markets, Murray Smaller Markets, and Perpetual International Emerging Companies.

His recommendations for balanced growth and medium risk are Foreign & Colonial investment trust, Monks investment trust, and Perpetual International Growth unit trust.

Fraser adds that a child might find it fun to have part of his money invested in premiums bonds now that the jackpot has been increased to £1m.

**Children's accounts**

| | Account | Telephone | Notice/ term | Minimum deposit | Rate % | Int. paid |
|---|---|---|---|---|---|---|
| **High Street Selection** | | | | | | |
| Halifax bs | Little Xtra/Quest | 0422 333333 | Instant | £10 | 3.75 | ½Yly |
| The Leeds | Liquid Gold | 0532 438181 | Instant | £1 | 3.75 | Yly |
| National & Provincial bs | Instant Reserve | 0274 733444 | Instant | £1 | 3.80 | Yly |
| Norwich & Peterborough | Head Start bond | 0733 371371 | Instant | £250 | 6.30 | ½Yly |
| Skipton bs | Young Sovereign | 0756 700511 | Instant | £25 | 6.50A | Yly |
| **Others** | | | | | | |
| Cambridge bs | First* | 0223 315440 | Instant | £1 | 6.50 | Yly |
| Chorley & District bs | Young Chorleian* | 0257 279373 | Instant | £5 | 7.45 | Yly |
| Monmouthshire bs | Young Savers | 0633 840454 | Instant | £10 | 5.00 | ½Yly |
| Scarborough bs | Young Super Saver | 0723 368155 | Instant | £10 | 4.75 | Yly |
| Universal bs | Childrens | 091 232 0973 | Instant | £1 | 6.00 | Yly |
| **National Savings** | | | | | | |
| | Investment | | 1 Month | £20 | 5.25% | Yly |
| | Childrens Bond F | | 5 Year | £25 | 7.35%F | OE |

All rates subject to change without notice; check before investing. Rates are shown Gross. OE = Interest paid on encashment. A = 2% bonus if no withdrawals to 1.12.94. F= fixed. * Available to local residents only.
Source: *Moneyfacts*



# Charity begins at home

*Bethan Hutton suggests ways to help those less fortunate than yourself*

So you bought Oxfam Christmas cards, put money in the carol singers' tin, and are planning to offload all your ghastlier presents onto the local charity shop. But is there still a nagging feeling at the back of your mind – prompted by yet another viewing of *A Christmas Carol* – that, in this season of goodwill, you could be doing a little bit more?

If your new year resolution is to give a bit more to those less fortunate than yourself, here are a few ways to make it easier (and get the Inland Revenue to chip in as well).

There are three tax-efficient ways to give money to charity, depending on how much you want to give and whether you want to make a long term commitment or just a one-off donation. They are payroll giving (also known as give-as-you-earn, or Gaye), gift aid, and covenants.

Most large employers operate Gaye schemes. You can give as little as £5 a month, and the maximum has been increased recently to £75 a month.

You can donate to several different charities and stop at any time you choose. The money is deducted from gross income, which means that those on basic rate tax would pay just £56.25 net towards a £75 donation, and higher rate taxpayers £45.

Gift aid is designed for one-off donations. The minimum donation was originally £600, then £400, and it was reduced to its present level of £250 in the March Budget to make it accessible to more people. There is no upper limit, and gifts made in this way are treated as net of basic rate income tax.

This means a gift of £250 actually becomes £333 in the hands of the charity; and higher rate taxpayers can claim back the 15 per cent difference between basic and top rate tax, so a donation worth £333 to the charity would only cost a higher rate taxpayer £200.

To ensure that tax can be reclaimed, you must fill out a form, which the charity should be able to supply.

Gift aid, however, is not an appropriate scheme for non-taxpayers as the Inland Revenue can ask you for the tax reclaimed by the charity.

While covenants are the longest established tax-efficent method of giving to charity, they are the least flexible, too. They are a long term commitment, designed to last at least four years, and you must make payments at fixed intervals.

You need to fill in the standard covenant form, provided by most charities, and set up a standing order or some other method of making regular payments.

Covenants are treated as net of basic rate tax, so the charity can reclaim an extra 25 per cent from the Revenue, and higher rate taxpayers can reclaim 15 per cent of the gross amount for themselves.

You can choose whether your covenant is net or gross. If the former – say, £10 a month – then the charity can recoup whatever the present basic rate tax might be on that amount.

If gross, you would pay only £7.50 of that £10 at present; but, if tax rates change, you might pay more or less. Again, covenants are not suitable for use by non-taxpayers.

The Charities Aid Foundation*, which is itself a charity, operates an account scheme for donors who want to spread their largesse between a range of charities. You pay money into the account using one of the tax-efficient methods – gift aid, Gaye or a covenant – so that tax can be reclaimed on your donation, and you receive a set of vouchers resembling a cheque book.

The vouchers can then be given to any charity, for any amount you choose, or you can set up standing orders to specific charities. This means that you can take advantage of the tax breaks even to distribute small amounts of money to a number of charities.

CAF charges a small percentage of your donation to cover administration costs. It also offers charity gift vouchers, which enable recipients to make a donation to the charity of their choice.

One way to give yourself a warm, charitable glow without any immediate expense is to rewrite your will and include a few gifts of cash or goods to charities.

Such bequests are free of inheritance tax and are an important source of funding for many charities – so much so that many provide guidance on how to make a will.

Affinity credit cards are not a highly efficient way to give to charity, but every little helps. Affinity cards are ordinary Access or Visa cards which pay your chosen charity a fixed amount – usually £5 – when first you get the card, then donate 20p or 25p for every £100 you spend using it.

To make a substantial donation this way, you would need to use the card extensively. If you spend £500 a month on it, then at 25p per £100 the charity would receive only £15 over the course of a year. And some cards charge an annual fee.

The Co-op bank, Midland, Royal Bank of Scotland and the Bank of Scotland offer several affinity cards, but there are other operators. Ask your favourite charity if it has such a scheme.

Some cards, such as the Visa issued by the Leeds building society, are automatically charity cards, distributing money to a number of popular charities.

It might be a little early to start thinking about next year's Christmas presents but, in eight or nine months, the catalogues will be dropping through your letter box again and, these days, you can buy far more than Christmas cards from them.

Commercial activities, such as gift catalogues and shops, are making a growing contribution towards funds for charities and some of them, particularly those related to the third world and the environment, also use these activities to further their aims by promoting trade and using sustainable resources.

* *Charities Aid Foundation, 48 Pembury Road, Tonbridge, Kent TN9 2JD.*

Bonds

# Irredeemably attractive

With most bond and equity markets continuing their strong rallies, and the most optimistic forecasters starting to predict interest rates of 3 per cent, investing for income will become increasingly difficult. If the predictions are anywhere near accurate, income-seeking investors should give careful consideration to bonds.

Irredeemable bonds – those with no fixed repayment date – such as permanent interest-bearing shares (Pibs), preference shares and certain Eurosterling issues offer the highest incomes at present.

The table shows that some very high yields are available from Birmingham Midshires Pibs, an issue from the country's 13th-largest building society. We also highlight an issue from Britannia but there are several others, details of which can be obtained from stockbrokers or other professional advisers.

**Fixed interest securities for private investors**

| Issuer | Coupon % | Price | Call date | Yd to call sa | Inc yield | Interest dates | Net inc 25% |
|---|---|---|---|---|---|---|---|
| **High income (paid net)** | | | | | | | |
| Birmingham Midshires PIBS | 9.375 | 103.25 | n/a | n/a | 9.08 | 1/3 1/9 | 6.81 |
| Britannia PIBS | 13.00 | 143.75 | n/a | n/a | 9.04 | endJa/Jl | 6.78 |
| Bk of Scotland Pref | 9.75 | 145.5 | n/a | n/a | 8.46 | endMa/Nv | 6.77 |
| General Accident Pref | 8.875 | 131 | n/a | n/a | 8.49 | 1/1 1/7 | 6.79 |
| **High income (payable gross offshore)** | | | | | | | |
| Scottish Amicable Euro£ | 8.500 | 99.06 | 30/6/2018 | 8.43 | 8.58 | 30/6 | 6.44 |
| Ryl Bank of Scot Euro£ | 9.500 | 114.06 | 12/8/2018 | 8.33 | 8.33 | 12/8 | 6.25 |
| Barclays Bank Euro£ | 9.000 | 110.25 | 11/10/23 | 7.92 | 8.16 | 11/10 | 6.12 |

NB Capital gains arising from the sale of preference shares may give rise to a CGT liability. All bonds and PIBS are CGT exempt.

Professional investors assess the value of bonds by monitoring, among other things, the "yield spread": the difference between the yield of the bond and that of comparable gilts. Despite the strength in price terms, it is interesting to note that the spreads for many irredeemables are virtually unchanged from the start of the year.

At the start of 1993, Britannia 13 per cent Pibs were offered at 11.42 per cent compared with 8.78 per cent from long gilts (a spread of 264 basis points), whereas now the Pibs are 9.08 per cent and the gilts 6.52 per cent (a spread of 256 basis points). More important: in proportional terms, the Pibs' yield is nearly 40 per cent greater than the gilt yield, having been only 30 per cent at the start of the year.

Severe pre-Budget weakness in the price of preference shares led to a 7 per cent post-Budget rally when the feared changes to advance corporation tax did not occur. Many preference shares have made gains of 15 per cent during the year.

There are, of course, risks involved with buying irredeemable issues. First, they rank as one of the lowest creditors in the event of financial difficulties.

Second, the capital value of your investment will depend on market forces (ie, you can get back your capital only by selling the investment at whatever price is available at the time). Thus if expectations for interest rates or inflation rise, the value of your investment will probably fall.

A third concern could be demands from issuers to raise new capital through these instruments.

***Michael Dyson***

■ *Michael Dyson is a director of Barclays de Zoete Wedd Capital Markets Ltd. This is a market-maker and cannot deal with private clients direct; those interested in buying bonds should approach a broker.*

هكذا من الأصل



## FINANCE AND THE FAMILY

# Glad tidings of insurance and joy

*If disaster strikes over Christmas, **Bethan Hutton** finds there's a policy for just about every contingency*

*On the first day of Christmas, we all sat down to lunch; But I soon felt an ominous crunch . . .*

As I was spitting out the sixpence, together with bits of shattered tooth, I heard a strange sound and turned round to see a small, sparkly figure floating in the air. "I am the good insurance fairy," she twinkled, and waved her wand. "Here is a magic dental insurance policy which will pay for emergency treatment, even on Christmas day!" Then she disappeared but, when I looked closer, I found a document on the floor.

*On the second day of Christmas, we opened some champagne; But the cork smashed some porcelain . . .*

I was just sweeping up the pieces when the good insurance fairy appeared, fluttering a sachet before my nose. "Sprinkle this magic powder on the floor!" she said. I did, and there sprang up a roll of parchment, labelled Fine Art and Antique Insurance Policy – all my collection of Japanese porcelain was covered.

*On the third day of Christmas, cousin Wayne came round to tea; But he tripped up and said he'd sue me . . .*

Just as I was shutting the front door behind him, the good insurance fairy squeezed past and tossed me a tiny silver whistle. "Blow this whenever you need help!" she said. So I did, and a legal expenses policy flew through the letter box.

*On the fourth day of Christmas, the tree began to fall; And crushed Rover chewing a ball . . .*

As I picked up the 'phone to call the vet, the insurance fairy climbed from the wreckage of the tree, brushing pine needles off her wings, and said: "If you say the magic words 'pet insurance policy,' all your veterinary bills will disappear."

*On the fifth day of Christmas, I drove to see a friend; But a drunk driver smashed my big end . . .*

The car was a write-off. As I trudged home from the police station I heard a familiar, tinkly voice by my side. "Never fear, the good insurance fairy is here", she said. "Rub this magic lamp and see what happens." So I did, and suddenly a chauffeur-driven car pulled up beside me. "Step in, ma'am," the driver said. "It's all courtesy of your mobility protection insurance."

*On the sixth day of Christmas, we saw a pantomime; But came home to the scene of a crime . . .*

While we were out, someone had stolen all our Christmas presents, leaving only a pile of wrapping paper. There was a rustling noise and the good insurance fairy popped out from under a gift tag. "Have this fan. It's magic, of course," she said. I waved it and a whirlwind swept away the paper, leaving in its place a fully comprehensive household contents policy.

*On the seventh day of Christmas, gales raged around our home; Wrecked a fence and our garden gnome . . .*

I was surveying the damage when the good insurance fairy landed with a splash in the pond. "Have you met your frog?" she asked, pointing to a rather ugly green specimen sitting on a neighbouring lily pad. Before my very eyes, it grew and grew and turned into


a loss adjuster with a clipboard. "No problem," he said. "It's all covered under your garden insurance plan."

*On the eighth day of Christmas, the doctor came to say; I had two babies on the way . . .*

My visions of financial ruin after paying for two of everything were interrupted by a shimmering figure. "If you make me their fairy godmother, you can collect on a twins insurance policy – it will pay you lots of money if two babies arrive at once," the good insurance fairy promised.

*On the ninth day of Christmas, we gathered round to sing; But mice had chewed every piano string . . .*

"Oh dear," said the good insurance fairy, inspecting the tangle under the piano lid. But she waved her magic wand and, as she vanished, a glitter-dusted musical instrument insurance policy appeared, propped on the keyboard.

*On the 10th day of Christmas, I began to cough and choke; As our thatched roof went up in smoke . . .*

A slightly singed good insurance fairy came and perched on my shoulder as the firemen were packing up their hoses. "This is a magic bean," she said. "Plant it outside your window."

So I did and, within an hour, a flourishing vine had grown up. Its leaves were the pages of a special thatched property insurance policy.

*By the 11th day of Christmas, I could take no more; And collapsed on the living room floor . . .*

I came round to find the good insurance fairy hovering in front of me, looking concerned, while to one side stood a gentleman in a white coat. "Don't worry," she whispered. "My magic medical insurance policy will cover even psychiatric treatment."

*On the 12th day of Christmas, we were due to go away; But I couldn't face a holiday . . .*

I was regretting the waste of money when the good insurance fairy swooped across the hospital ward. "Cheer up," she said. "The cancellation section of your travel insurance will cover everything." Reassured, I fell asleep, thinking warm thoughts about friendly, helpful insurance companies.

Then, on the 13th day of Christmas, an envelope arrived and, when I opened it, there was a puff of black smoke. An evil-looking spirit emerged. "I am the *bad* insurance fairy," she growled, and handed me a letter . . .

"Dear Madam,

We regret to inform you that, because your direct debit mandate was incorrectly filled out, no premiums have been collected for your policies and we were not on risk during the period December 25 to January 5 inclusive. Therefore, all your claims have been disallowed.

Yours faithfully,
Celestial Insurance Company plc."

The good insurance fairy had been a figment of my imagination – but all the policies really exist, if you can afford them.

# When tax demands follow a legal bill

*Employees can get a costly shock, says **David Cohen***

With legal costs soaring, an employee whose company offered to meet his lawyer's bill would be unlikely to look a gift horse in the mouth. But the horse might turn out to be of the Trojan variety, concealing a platoon of Inland Revenue inspectors armed with tax demands.

It is a well-established rule that payment of a worker's legal costs by his employer is a taxable benefit. The key court case involved a director who was charged with a serious motoring offence; had he been convicted, he probably would have gone to prison. Since his company did not wish to lose his services, it arranged for its solicitors to defend him. He was acquitted and the company picked up the legal bill.

The Revenue then claimed that this should be taxed as part of the director's income. He argued that, since the company's sole aim was to protect its own interests, the Revenue had no right to tax him. But the law lords ruled that the company's motives were irrelevant; the director had received a benefit and was, therefore, liable to tax.

The amount on which the employee is taxed is the cost to the employer of providing the benefit. Hence, it includes not just the lawyer's bill but also value added tax (unless the company can recover it).

The factors which determine if that can be done were canvassed in a case which arose out of the *Herald of Free Enterprise* ferry disaster at Zeebrugge in 1987. The ship's operator, P&O, and seven of its employees were charged with manslaughter.

P&O was advised that it faced a real risk of being found guilty of corporate manslaughter, and that its fate probably hinged on whether the seven employees were convicted. So, it instructed lawyers to defend the seven and paid the costs of £3.5m.

Customs & Excise tried to block P&O's claim to recover the VAT of around £600,000. It argued that the VAT had not been incurred by the company in the course of its business. Even though the acquittal of the seven staff members might have benefited the company, this did not mean that financing their defence was a corporate objective.

The VAT tribunal disagreed. It noted that, had the seven been convicted, the company could well have followed suit. Since a conviction for corporate manslaughter would have done untold damage to P&O's reputation, any steps taken to prevent such damage were potentially of crucial importance to its business

Although C&E lost this battle, it will no doubt continue to deny VAT relief – and thus increase the employee's tax bill – in cases where the link between the employee's legal position and the company's business is less clear-cut.

Despite this gloomy picture, of legal bills invariably being followed by tax bills, the Revenue recently announced a concession which will provide some relief from this double whammy.

Under this, the taxman will turn a blind eye to the reimbursement by an employer of legal costs incurred by an ex-employee who sues for compensation for the loss of his job.

If the two sides have had their day in court, the employee will always get away scot-free. On the other hand, where the parties have done their own deal without resorting to litigation, the Revenue will relent only if the payment is made:

■ Direct to the former employee's solicitor.

■ To cover only costs incurred in connection with the sacking.

■ Under a specific clause in the settlement agreement.

The Revenue's burst of seasonal generosity will be good news for vengeful ex-employees, but there is no indication of a change of mind in relation to legal costs in general.

Nevertheless, each case will no doubt be considered on its own merits; and if you are, for example, a chancellor of the exchequer whose legal costs for evicting a sex therapist have been taken care of, you might well stand a sporting chance of staying outside the tax net.

■ *David Cohen is a partner in the City law firm of Paisner & Co.*

## News in Brief

Save & Prosper will offer discounts on its personal equity plans during the period January 1 to February 4. Unit trust Pep investors will receive a 2 per cent discount on the offer price. This applies to S&P's 14 Pep-qualifying trusts.

Meanwhile investments of more than £4,000 into S&P's Managed Portfolio – a selection of blue chip stocks – will pay no initial charge at all. The annual charge is 1.25 per cent plus VAT.

□ □ □

The Royal College of Nursing has opened a pensions helpline for nurses worried about their benefits in the wake of the Securities and Investments Board study on pension transfers. The telephone number is 0277-264 875.

□ □ □

Halifax building society is reducing the monthly interest rate on its Visa credit card from 1.69 to 1.63 per cent, bringing down the APR from 23.5 to 22.6 per cent. Early in 1994, Halifax plans to offer an annual fee rebate for customers spending more than £1,500 a year; an annual fee waiver for the first 12 months of all new accounts; and a £25 credit to those transferring £300-plus of debt.

□ □ □

Johnson Fry is offering a Managed French Privatisation Service to private investors in the UK who want to take part in the coming round of French privatisation issues. All EU citizens are entitled to apply for shares on exactly the same terms as the French.

Johnson Fry is inviting investments of £1,000 in the MFPS. It will then apply for shares in every French privatisation issue on behalf of each investor, and the shares will be sold as soon as possible so that the proceeds can be re-invested in subsequent issues.

Charges are £60 to cover all applications, with a flat fee of £15 on sales of shares worth less than £500, and £22 on larger amounts. No interest will be paid to investors on the money held. The privatisation programme is expected to last two years.

□ □ □

European Stockbrokers Ltd has launched an execution-only service for UK private investors who want to deal in European shares. The company is also offering private clients a custody service, a choice of nominee or own-name dealings, twice-yearly portfolio valuations, and holding of sterling or foreign currency in an interest-bearing deposit account.

Commission charges for execution-only transactions are 0.5 per cent on deals up to £60,000, with a minimum of £100 and maximum of £250, plus 0.25 per cent on the balance of transactions above £60,000. There are additional charges for local delivery of overseas shares, and for the custody service. For further details, contact European Stockbrokers on 071-935 1558.

# FT literary competition

*Anthony Curtis sets a test to keep your wits sharp over Christmas*

In June 1876 Carroll gave the following poem to his friend LAURA ISABEL PLOMER:

Love-lighted eyes, that will not start
At frown of rage or malice!
Uplifted brow, undaunted heart
Ready to dine on raspberry-tart
Along with fairy Alice!

In scenes as wonderful as if
She'd flitted in a magic skiff
Across the sea to Calais:
Be sure this night, in Fancy's feast,
Even till Morning gilds the east,
Laura will dream of Alice!

Perchance, as long years onward haste,
Laura will weary of the taste
Of Life's embittered chalice:
May she, in such a woeful hour,
Endued with Memory's mystic power,
Recall the dreams of Alice!

As you see, reading downward the initial letters of each line spell her name. The usual generous prizes are offered for the best similarly acrostic poems spelling the name John Major.

You may enter more than one poem if the inspiration flows. The winner and runner up will each receive a bottle of champagne.

The closing date is Monday, January 10.

Mark your entry "Acrostic", and send it to: *The Literary Editor, The Weekend FT, 1 Southwark Bridge, London SE1 9HL.*

Faxed entries will be accepted on 071-873-3929.



## CHESS

There is little Christmas relaxation for grandmasters this year. The PCA world championship qualifier at Groningen is in full swing, with Britain's Michael Adams and Julian Hodgson among the 50 players. Seven winners will join Nigel Short in match eliminators to decide Gary Kasparov's next challenger. Two weeks after Groningen ends, the rival FIDE candidates matches start at Wijk aan Zee.

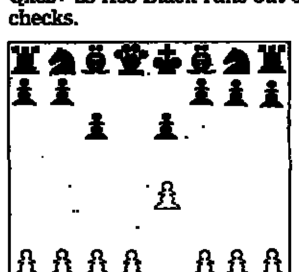
The key player in both events is Vishy Anand. Ranked No 3 after Kasparov and the FIDE champion, Anatoly Karpov, the personable and modest Anand, 24, is a hero in India and the best prospect for a challenger in 1995 from outside the old Soviet Union.

Anand is the fastest mover in chess. It is not exceptional for him to take just an hour for the entire game; but his clock times in this week's game, from the European inter-club final, were bizarre.

The first 19 moves are Sicilian Defence theory where White sacrifices a pawn, Black a bishop. Anand played them almost instantly. Then, he took an hour for move 20, the longest think of his career. He blitzed out the remaining six moves and, when his opponent resigned, Anand's clock showed 66 minutes.

(V .Anand, White; T. Tolnai, Black; Lyon v. Budapest 1993).

1 e4 c5 2 Nf3 d6 3 d4 cxd4 4 Nxd4 Nf6 5 Nc3 g6 6 Be3 Bg7 7 f3 Nc6 8 Qd2 0-0 9 Bc4 Bd7 10 h4 Ne5 11 Bb3 Rc8 12 0-0-0 Nc4 13 Bxc4 Rxc4 14 h5 Nxh5 15 g4 Nf6 16 Kb1 Bxg4 17 fxg4 Nxg4 18 Qe2 Nxe3 19 Qxe3 e6 20 Ndb5! Qa5 21 Nxd6 Rxc3 22 bxc3 Bxc3 23 Rd3 Qb4+ 24 Kc1 Qb2+ 25 Kd1 Qxa2 26 Qh6 Resigns. After Qb1+ 27 Ke2 Qxc2+ 28 Ke3 Black runs out of checks.



**Chess No 1,001**

The Christmas puzzle (by T. Orban) asks you to construct a game where this position is reached after Black's third move (easy enough) and after Black's fourth move (harder). Solution next Saturday.

***Leonard Barden***

## BRIDGE

A happy Christmas to all my readers. My hand today, which comes from match-pointed pairs, produced many different results. Some Souths played in six hearts and made their contracts; others played in seven hearts, but not all got home:

| | N | |
|---|---|---|
| | ♠ A K 10 9 6 2 | |
| | ♥ Q J 9 8 | |
| | ♦ A 5 | |
| | ♣ A | |
| W | | E |
| ♠ 7 3 | | ♠ Q J 8 4 |
| ♥ 10 4 3 2 | | ♥ – |
| ♦ Q 9 6 | | ♦ J 8 7 4 2 |
| ♣ J 10 9 4 | | ♣ K 7 5 3 |
| | S | |
| | ♠ 5 | |
| | ♥ A K 7 6 5 | |
| | ♦ K 10 3 | |
| | ♣ Q 8 6 2 | |

This is what happened at one table. South dealt with both sides vulnerable, and bid one heart. North made a forcing response of two spades and South re-bid two no-trumps. North said three hearts, South said four hearts, and North bid five no-trumps the grand slam force, as king partner to bid seven if he held two of the three top honours. South obeyed.

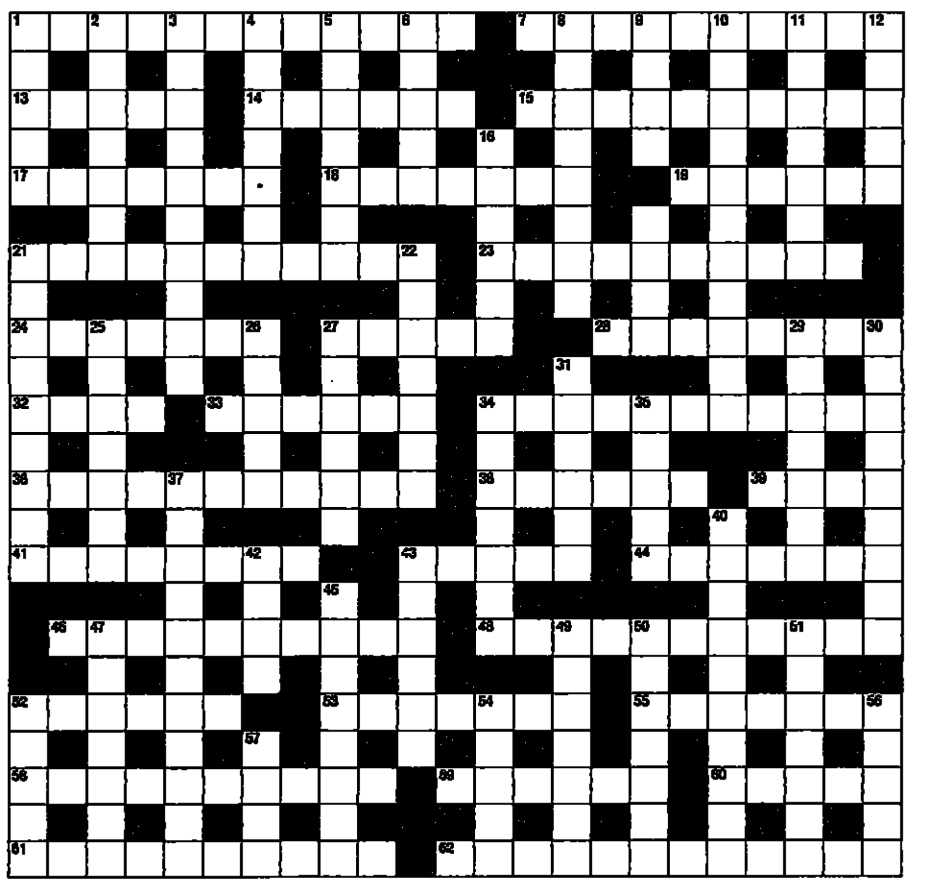
West opened with the club knave, taken by dummy's ace. The declarer, without really examining the position, followed with ace and king of diamonds and ruffed a diamond on the table. Now, the contract was unmakeable. What an exhibition. Spades must be established, and trumps tested, in case of a bad break.

In my view, the best play at trick two is to cash the heart queen. The spades must be assumed to break no worse than 4-2, so declarer cashes the ace and ruffs the two with the heart ace. When both defenders follow, all is well. South crosses to the heart eight and ruffs another spade with the heart king. He then picks up West's trumps by finessing the nine and cashing the queen. The good spades and the two diamond honours deliver the slam.

***E.P.C. Cotter***

## CHRISTMAS CROSSWORD SET BY CINEPHILE

**A first prize of a Pelikan Toledo M900 Limited Edition Fountain Pen with 18ct gold nib (usual retail price £599), inscribed with the winner's name, will be awarded for the first correct solution opened from those received by Wednesday January 5 1993. Five runner-up prizes of Pelikan Souverän M800 fountain pens (retail price £190), also inscribed, will also be awarded. Solutions should be marked Christmas Crossword on the envelope and sent to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution and winners' names will be printed on Saturday January 8.**



**All the across solutions except 14, 28, 32, 33, 34, 36 and 39, and also 29 down, have embraced the Exchange Rate Mechanism; this is disregarded in the subsidiary part of the clue. Thus PERMIT might be clued "Allow mine" (Permit pit)**

Name..........

Address..........

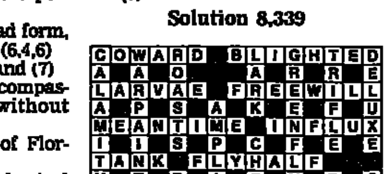
**ACROSS**

1 Queer folks' hats used as picnic accessory (7,5)
7 Work of twee art for measuring liquid intake (5,5)
13 Back street conditions (5)
14 A theologian was first to go bad (6)
15 Penny a hundred, from which he will not be moved (10)
17 She's fishy but she's still a virgin (7)
18 State of 5 not changed (7)
19 French wine for obnoxious creatures (6)
21 After bread and milk I suffer, wanting the hard stuff (6-5)
23 Causing trouble for Tiberius's nephew (10)
24 Extremes lead teetotaller to Swiss resort (7)
27 Childless? One would be without it (5)
28 Marriage-worthy priest on the Rock with the French (8)
32 The side with advantage (4)
33 Field event causes a lot of talk (6)
34 Contributor to gin goes forward in anger in a month (7,4)
36 Bits of metal from club one throws about (4,7)
38 He's fishy and an island (6)
39 Made a sound bar in a ladder (4)
41 Eat and drink with an extraordinary person (8)
43 Greek god's head and half hand .... (5)
44 .... with extra names, one maybe from Hannover, which isn't finished (7)
46 English lake, container of liquid before (10)
48 Funny about a lieutenant being a great dreamer (6,5)
52 Boy's address (6)
53 Rhythm under glass (4,3)
55 Departure, without us, of embryonic skin (7)
58 Old Testament girl hiding some ivory in estuary (5,5)
59 Judicial wear in the East (6)
60 The endless quantity of heat (5)
61 Some silk on tree, source of precious metal (6,4)
62 Morning transport in fashion: it doesn't need a full orchestra (7,5)

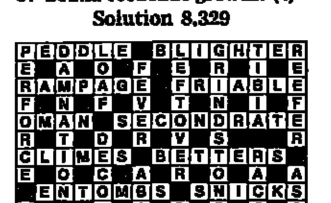
**DOWN**

1 I'm a bit religious: a little drink upset me (5)
2 Hanging ornament: in the 'ush you can — a pin — (3-4)
3 Communication sheets for games with spade (7,3)
4 Loveless doormat's groomed for celebrity status (7)
5 Name of boy, board game victor? (7)
6 Guide a bullock (5)
8 Queen in rapture when she's missing the opening (8)
9 Fiery saint goes round under tree (4)
10 Medieval love poet sounds like a small vocalist (11)
11 Money cut short love affair with American bird (7)
12 Light shed on fabric (5)
16 Awfully odd stone designed to run into others (6)
20 Follower of summer and pride (4)
21 Raised vitality at Zaire's new eating places (9)
22 Achilles' father is beheaded in a mysterious place (7)
25 Find new formation due to purge or shake-up (7)
26 The case of the tiresome person (5)
27, 40 Small time, with bad form, fly boy's last but two (6,4,6)
29 Half a capital is an island (7)
30 Sudden crisis point: compassion needed when without information (9)
31 Stand ready for part of Florentine painter (6)
34 Policy of segregating physical training, say, and straight flier (3,4)
35 Steal and cook? (5)
37 If crust rose, serve for starter (5,6)
40 See 27 down
42 Area in northern Israel (4)
43 Got the ball out, well if loaded (6)
45 Part of speech with false note is banned (8)
47 A French composer after a French way to solve clue (7)
49 Set on fire, I go in for gentle sound, from anything heavy metal (7)
50 Interpreter of text, for example, in unfinished Devon city (7)
51 Greek hero or demonstrative pronoun (both plural) (7)
52 Kinds one isn't well out of (5)
54 Tidy climb for head of house causes amusement (5)
56 Copy Roman numerals (5)
57 Sound economic growth? (4)

**Solution 8,339**



**Solution 8,329**



B.P. Hill, Chiselhurst, Kent; P.M. Burman, Aughton, Lancs; T. Gaskell, Sevenoaks, Kent; K.B. Hubbard, Leigh on Sea, Essex; W. McQuaker, Ayr; M. O'Connell, St Ives, Cambs.

# Enigmatic Christmas cards

***Dominic Lawson** is tired of receiving greetings from strangers*

This year I finally managed it. I sent out no Christmas cards, except to my immediate family. For years I would vow not to shower friends and colleagues with these garish tickets to nowhere. But then, as December dragged on and my desk began to pile up with the cards that had been sent to me, I would crack and rush out to the post office with belated reciprocity. This year, my meanness has got the better of my social insecurity.

At some times the feelings of guilt have been sharper than at others. The card carefully chosen by good friends, and painstakingly inscribed by their three-year-old child, is a real choker.

At the other end of the spectrum is the card displaying a photograph of the family of someone I scarcely know and with nothing but a printed message inside. I am not a Christian but somehow the substitution in such cards of the holy family with that of the sender's own has always struck me as rather preposterous.

Operating at a different level of irritation are the cards from people who think that a straight line with a couple of dots on top is a proper signature. What makes it worse is the knowledge that this lazy hieroglyphic is the result of the sender having to sign hundreds of identical cards in one rushed signing session with a secretary standing by. Yet still I want to know who this man or woman is.

We are entering here the murky world of the corporate Christmas card, sent from office to office, from business contact to business contact. The problem has been caused by companies which have allocated part of their public relations budget to the purchase of thousands of such cards. Those of us who have to buy our own Christmas cards, at about £1 each, cannot compete with those who can simply ask their secretary to make another dip into the stationery cupboard. They, of course, need not discriminate at all: the choice for them is only whether to sign or not to sign.

The cleverest ones avoid even this brief moment of decision by embossing all their cards with a facsimile signature. I will not reveal which head of one of the royal houses of Europe does this on his Christmas cards because I always have liked the look of his card on my mantelpiece and I would therefore not want to offend His Royal Highness.

Of course if you are a King you need not use a surname. Which is just as well for you: also on my list of Christmas cards to be sniffed at are those from people who sign with their full name. If we are not on first name terms why are we exchanging such fondnesses? Why, Virginia, why?

On the other hand, Virginia, I much prefer your studied formality to the misplaced chumminess of the Churches' Media Officers, which strange ecumenical ensemble has sent me card signed personally by "Eric", "Patrick and "Steve". Fortunately the printed side of the card reveals that Eric is the Rev Eric Shegog, the Director of Communications at Church House, so that is one mystery Christmas solved.

And, who knows, perhaps I will at some time in the future meet and learn much from the Rev Eric Shegog, and then his card will seem merely an anticipation of fine friendship which does not yet exist.

The same, I fear, cannot happen between me and the "University of Wolverhampton", nor between the "Editor of *The Spectator*" and the "Mersey Partnership Team". I feel we have too little in common, at this stage in our lives. And who are you, anyway?

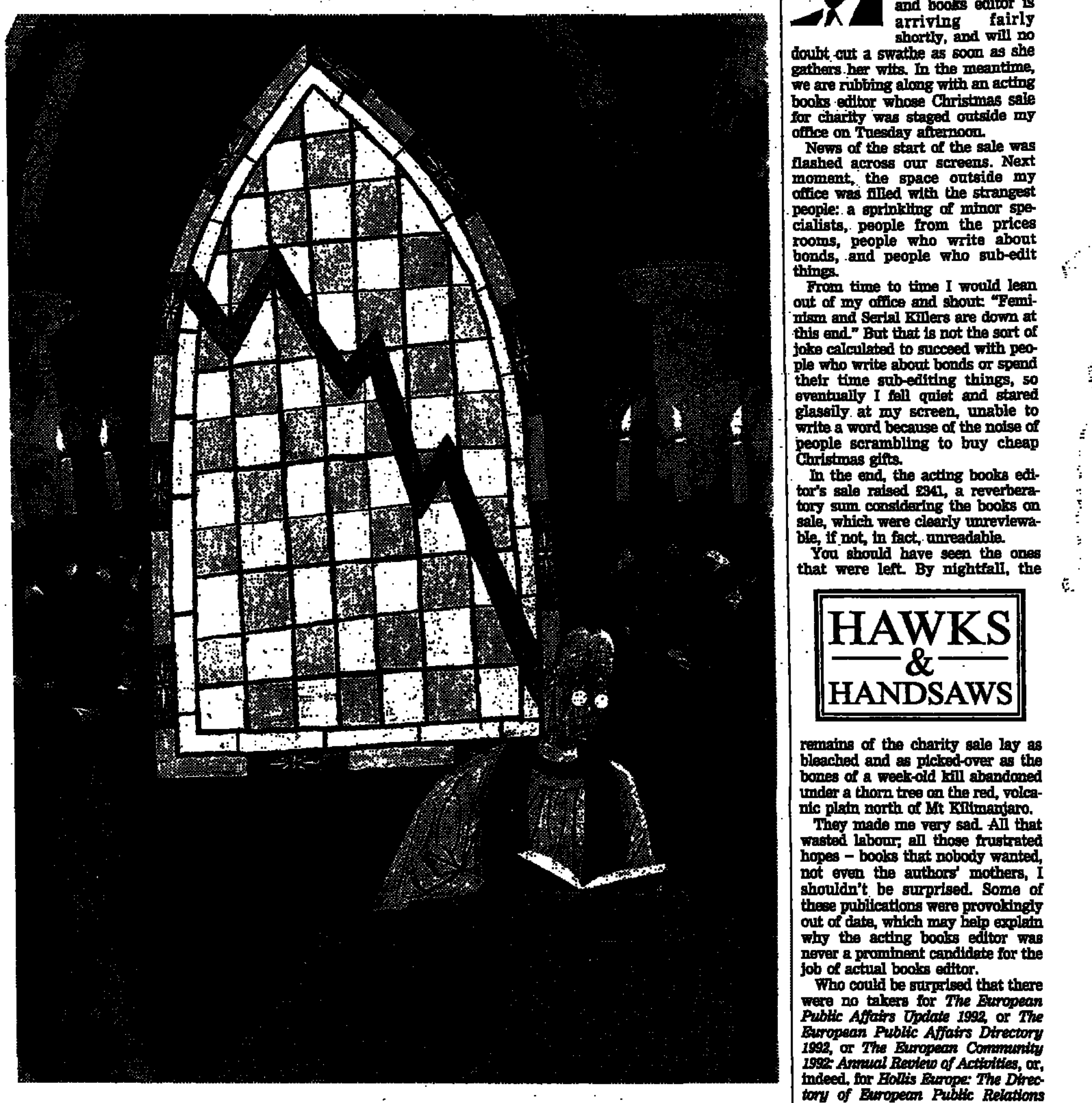
However, to those at the Grand Hotel du Cap-Ferrat, an establishment even Sir James Goldsmith regards as something of an extravagant treat, I say thank you for your lovely and unexpected Christmas card: and if you ever care to ask me to stay one Christmas, I and my family would be delighted to accept your kind and thoughtful invitation.

Yet among the shower of envelopes and other fruits of the forest there are one or two cards missing this year. In particular, John Major's name no longer appears in my Christmas card in-tray. Is it something I wrote? No, it can't be. I am being properly punished for not sending a Christmas card to the prime minister last year. And Christmas 1994 will obviously bring an even leaner harvest. It serves Scrooge right.

■ *Dominic Lawson is editor of The Spectator*

# Oh Lord, give us next year our daily bread . . .

*Every acre of England is in an Anglican parish. But the Church is facing big money problems. **Alan Pike** reports*



The distance between regular Church of England congregations and once-a-year churchgoers will be greater than ever this Christmas. Occasional, seasonal visitors will notice nothing amiss. The cribs and carols will still be in place in more than 16,000 churches throughout the land, blending holiness with homeliness in the secure Anglican style.

More involved members of the church, however, will be asking how much longer it is going to stay like that. The church faces unprecedented financial problems on such a large scale that they could permanently change its shape.

Within a few years, a century-long trend of insufficient candidates coming forward for ordination has been reversed. The Church of England now has more clergy than it can afford. Suddenly, all the R-words that became commonplace in industry during the 1970s and 1980s – retrenchment, rationalisation, restructuring, even redundancy – are being uttered nervously in clerical circles.

The problem's seriousness is illustrated by the view of Dr George Carey, Archbishop of Canterbury, that finance, rather than the divisive question of next year's ordination of women priests, is likely to be the most significant issue of his period in office.

Matters came to a head for the Church of England with a decline in the value of the Church Commissioners' income-producing assets from nearly £3bn in 1989 to £2.16bn last year. Much of 1993 has been taken up with investigation and painful debate over the commissioners' stewardship of the church's assets and their devastating over-exposure in the property market.

An investigation found that the commissioners' assets committee had compounded their problems by borrowing substantially to finance further speculative property development, while failing to maintain adequate managerial control. Bewildered members of the commissioners' board of governors complained afterwards of having been denied information about assets committee decisions.

The church has untangled the tragic cycle of events with impressive charity, showing little of the collective desire for recrimination and scapegoats that would have dominated the reaction of most institutions. Attention is being concentrated on the consequences of the mistakes.

The Church of England has lived beyond its means for many years, relying on the commissioners' investment income to finance the experience. Warnings signs were evident in the 1980s as a new clergy pension scheme and other costly, long-term commitments were taken on. Between 1981 and 1991, when the retail prices index rose by 78 per cent, the cost of clergy pensions and retirement housing increased by 226 per cent, and spending on church buildings by 245 per cent. So the sharp decline in the commissioners' asset values is not the single cause of the present problems; but it means solutions must be attempted in an atmosphere of crisis rather than a more gradual, planned way.

The commissioners pay for pensions and housing for retired clergy, and contribute substantially to stipends. But the proportion of the stipend bill met from their assets – 45 per cent in the early 1990s – will fall below 30 per cent by 1996. Some dioceses will receive still less.

It costs about £600m a year to run the Church of England. Last year clergy stipends and housing cost £229m, worship and buildings £201m and administration £65m. Parishes generated the biggest slice of income – £372m – and the Church Commissioners £161m. The decline in the commissioners' investment income means an extra £50m a year must be found elsewhere to meet running costs and pensions.

Churchgoers in the parishes are the only potential source of the extra money. A 15 per cent increase in the £372m raised locally would produce £55m and, if sustained annually, solve the problem. But the church, like charities in general, has seen little real growth in voluntary donations in recent years – they fell in real terms in 1990, and increased by only 2 per cent above inflation in 1991. Getting an extra 15 per cent from the parishes would be the equivalent of raising the entire voluntary income of Oxfam each year on top of existing collections.

And, although there are signs that the rate of decline in church attendance – a social trend shared by the Church of England with other Christian denominations throughout the post-war years – has slowed since the mid-1980s, the church will be trying to squeeze more money from a diminished base. About 1.1m people now attend Anglican churches regularly, compared with 1.5m in 1970.

Some parishes will rise to the task of becoming self-sufficient, but in doing so will expose a further problem. The Church of England may have fallen on hard times financially, but it remains structured as a national church in a very real sense. Every acre of England is in an Anglican parish; its clergy are deployed around the country on a fair-shares basis related to population and geography, and the church retains an elaborate central decision-making and policy-developing structure. It maintains several thousand schools; runs theological colleges; has responsibility for many historic buildings and, through its boards and committees, contributes to debates on religious and social issues.

In future, some parishes may have full-time priests – or continue to exist – only if they can meet the costs locally. Moves in this direction are already occurring in some dioceses. A consultation document in London, which plans to pay its stipends without any Church Commissioners' support within ten years, proposes that if a parish is unable to make an adequate contribution to staff costs "a careful assessment ought to be made concerning its future."

Unco-ordinated moves in this direction could have far-reaching consequences for the nature of the national church. Parishes working hard to meet all their own running costs would, influential figures such as Alan McLintock, chairman of the church's central board of finance, believe, be reluctant to contribute to the national "head office" institutions that give the Church of England so much of its distinctive character. Relationships between clergy and congregations could change if priests felt wholly dependent on their parishioners for continued employment. Vacancies would be filled on the basis of available funding rather than priority needs, with clergy skewed towards the suburbs and away from the inner cities and peripheral estates which the church regards as important mission areas.

"Greater financial self-sufficiency need not mean the triumph of inward-looking congregationalism," Dr Carey told the church's general synod last month. Such fears are, however, very much alive.

An alternative to such an every-parish-for-itself approach advocated by the Rt Rev David Sheppard, Bishop of Liverpool – whose diocese includes many relatively deprived areas that would find it impossible to meet full clergy costs from local resources – is to encourage stronger church-going areas to make more use of part-time, unpaid ministers, enabling inner cities and other priority areas to retain substantial numbers of stipendiary clergy.

There are around 11,000 stipendiary clergy and another 2,000 non-stipendiary ministers – ordained clergy who combine their ministry with secular employment and do not receive a salary from the church. Increased reliance on non-stipendiary clergy and lay workers is one probable consequence of the financial problems.

The church does not set limits on candidates considered for ordination but, says a new report by its Advisory Board of Ministry, it might become necessary to restrict the number it can afford to pay. Those called to ordination, says the report, should "not themselves seek to impose conditions as to whether their call is to stipendiary or non-stipendiary work."

Although the Church of England pays better than some denominations – a Salvation Army officer starts on an annual £3,350, rising to a £3,990 maximum after 45 years – the financial rewards of the ministry are modest by most secular standards. The average for a vicar is between £12,000 and £13,000.

Church leaders emphasise the need for appropriately motivated men and women to offer themselves for ordination remains as great as ever. But today, potential candidates are warned to set aside any notions of social standing that may once have compensated for limited financial rewards.

Future clergy, says the Advisory Board of Ministry report, will find their ministry very different from that of their predecessors. It will, it says, "embody much of the insecurity and vulnerability that is characteristic of our time."

Canon John Stanley, a church commissioner and member of the general synod, endorses this point. He says that declining church attendances, and the increased secularisation of society, are leading to some clergy feeling isolated, lonely and undervalued; he is concerned that worries about the church's financial future will become an additional pressure on them.

Many clergy are worried that rushed solutions to the financial problems, involving emergency cost-cutting against impossibly short timetables, could spiral the church into local initiatives that would undermine its status as a national church. Canon Stanley argues for a controlled response.

"I believe there is a danger of increasing the scale of the problem if people rush at it too much," he says. "I know that raising individual giving is not easy, but we must remember that if everyone gave £1 per week more the problem would disappear. There is a need for a steady hand and strong nerve."

Church finances will be under further pressure next year when male priests unable to accept women's ordination, leave and qualify for payments under a compensation scheme. There are also dangers that the women priests issue, allied to financial problems determining whether some churches close, could upset the doctrinal ecology between the Church of England's high and low church wings. Most of the defections of priests and parishioners over women's ordination will be among Anglo-Catholics, while many of the parishes proving most successful at raising money and attracting growing congregations are evangelical.

One of the deepest concerns voiced by clergy and lay people is that the church, shocked by the Church Commissioners' investment problems, might go to the other extreme and be carried away by an obsession for budgetary control.

"We cannot keep the Church of England alive by the contributions of individual congregations alone," says the Very Rev John Gladwin, Provost of Sheffield cathedral. "The Church Commissioners' originally obtained their money from the reserves of the old cathedrals and bishoprics to help finance the living ministry of the church. There is absolutely no point in solving the problem in a way that enables the commissioners to balance their books, and creates a sound pension scheme, but leaves no money to finance an active ministry."

Dr Carey told last month's synod that "complacency and panic" were equally out of place as a response to the financial problems. Nothing is more certain, however, than that some will panic while others remain complacent.

For all its structure, much real decision-making in the Church of England remains with individual bishops in 43 dioceses, while most of the clergy hold their posts on freehold and cannot be moved against their will. In such circumstances, steering a course of sound, rational management between the twin rocks of complacency and panic will be unusually difficult.

# Books that nobody wanted

***Michael Thompson-Noel***

This week the acting books editor staged a sale for charity of all surplus books cluttering up the books office. A new arts and books editor is arriving fairly shortly, and will no doubt cut a swathe as soon as she gathers her wits. In the meantime, we are rubbing along with an acting books editor whose Christmas sale for charity was staged outside my office on Tuesday afternoon.

News of the start of the sale was flashed across our screens. Next moment, the space outside my office was filled with the strangest people: a sprinkling of minor specialists, people from the prices rooms, people who write about bonds, and people who sub-edit things.

From time to time I would lean out of my office and shout: "Feminism and Serial Killers are down at this end." But that is not the sort of joke calculated to succeed with people who write about bonds or spend their time sub-editing things, so eventually I fell quiet and stared glassily at my screen, unable to write a word because of the noise of people scrambling to buy cheap Christmas gifts.

In the end, the acting books editor's sale raised £341, a reverberatory sum considering the books on sale, which were clearly unreviewable, if not, in fact, unreadable.

You should have seen the ones that were left. By nightfall, the

HAWKS & HANDSAWS

remains of the charity sale lay as bleached and as picked-over as the bones of a week-old kill abandoned under a thorn tree on the red, volcanic plain north of Mt Kilimanjaro.

They made me very sad. All that wasted labour; all those frustrated hopes – books that nobody wanted, not even the authors' mothers, I shouldn't be surprised. Some of these publications were provokingly out of date, which may help explain why the acting books editor was never a prominent candidate for the job of actual books editor.

Who could be surprised that there were no takers for *The European Public Affairs Update 1992*, or *The European Public Affairs Directory 1992*, or *The European Community 1992: Annual Review of Activities*, or, indeed, for *Hollis Europe: The Directory of European Public Relations and PR Networks, 1992-1993*. The press release accompanying *Hollis* was headlined: "Single European market heralds bonanza of PR Opportunities" – an unspeakably revolting thought.

Some of the abandoned books had strangely beautiful titles, such as *The Third Man: The Life and Times of William Murdoch, Inventor of Gas Lighting*, by John Griffiths, author of eight other books, among them *Modern Iceland* and *The Science of Winning Squash*.

Conversely, some of the business books were almost certainly doomed from the moment someone in marketing approved or composed the title: eg, *Wages and Unemployment: A Study in Non-Walrasian Macroeconomics*, the initial chapters of which "examine short-run macroeconomic equilibrium with nominal rigidities within the framework of fix-price temporary equilibria" and the concluding, or crescendo, chapters of which go on from there.

This being the *FT*, no one dared pay £1 for Bernard Arcand's *The Jaguar and the Anteater: Pornography Degree Zero*, Arcand's concern, according to the dust-jacket, being to "elucidate the ways in which pornography is a mirror of our modernity". Nor were there any takers – this was more surprising – for *Talking Tough: The Fight for Masculinity*, by Carol Lee, which "sheds much-needed light on the gulf between society's notions of maleness and young men's pursuit of male identity."

There were numerous rejected novels, including *Vurt*, by Jeff Noon, published by Ringpull Press, set in near-future Manchester and starting like this:

"Mandy came out of the all-night Vurt-U-Want, clutching a bag of goodies. Close by was a genuine dog, flesh and blood mix; the kind you don't see any more. A real collector's item. It was tethered to the post of a street sign. The Sign read NO GO. Slumped under the sign was a robo-crusty. He had a thick headful of droidlocks and a dirty handwritten sign – 'hungry n homeless. please help'."

Made wretched by their abandonment, I have purchased each of these titles, plus several more. Now I am wrapping them up. When it is dark tonight I shall wander London's streets delivering them to certain people. They know who they are. I have got a little list.

As They Say in Europe/**James Morgan**

# Sinterklaas fights back

I'm spending this Christmas, again with my friend Jean-Peter. He is from Luxembourg and is still active in DGXXII in the European Commission and is now in charge of the programme for new policy initiatives.

"Take a look at this editorial," he said, flinging a recent copy of the Dutch financial paper, *NRC-Handelsblad*, over to me.

"Hmm," I said. "Santa Claus fights back." It was all about the rearguard battle "Sinterklaas", or St Nicholas, had launched against the encroachments of Father Christmas. The two are not the same, it seems. The article complained that today in Dutch shopping centres you hear "Jingle Bells" in place of "Zie ginds komt de stoomboot".

I said I wasn't really surprised, but Jean-Peter was impressed. "You see they've got a point. Should the Gatt round have included St Nicholas as a cultural exception? *NRC* says he doesn't need a subsidy – 'a man enough to trust in his own strength.' Hmm. I wonder."

All this, it seems, is grist to Jean-Peter's new think-tank which is working towards the European Policy Innovation and Reformulation Colloquium to be held next March in Hilversum. He asked me for my ideas. I recalled the news conference given by President Mitterrand at the end of the G-7 Tokyo Summit in July. He had argued in favour of bigger handouts to developing countries. I thought he was right because of French demands for a *préférence communautaire*. In other words the poor needed help because markets in Europe were closed to some of their exports. When I asked the French leader if there was not a contradiction here, he replied that if there was it was "purely formal".

Jean-Peter smiled. "Yes, we've been thinking about that sort of thing here. The French policy could provide a major boost for everybody if implemented properly. It is the concept of the 'purely formal' contradiction that we find particularly useful. A lot of circles can be squared if you look at them through the right prism."

I confessed that this was lost on me. But Jean-Peter said his colleagues had been inspired by a series of television programmes about Margaret Thatcher's time as prime minister. "We have the Thatcher countervailing cost and tax tariff structure in place just ready to go."

Apparently the commission had been impressed by Thatcher's arguments for a Community Charge, or what the British call poll tax, as a new source of local government revenue.

"We saw Lady Maggie on that TV programme. The poll tax could have worked. '*Nigel* Lawson had the solution,' she *said*, '*in* his own hands. But he would not come up with the money to make it work.'"

So Thatcher had achieved a Euro-breakthrough. If something costs too much, you raise a tax to pay for it and if that tax is too high you get the ministry of finance to subsidise it. If necessary by raising a new tax.

"As Mrs Thatcher noted, that was the solution finally chosen in Britain – the standard rate of value added tax was raised to help pay for the Council Tax. Brilliant but too late to save Lady T unfortunately."

But unemployment was, of course, the real problem and Jean-Peter was absorbed in ideas for cutting it. "A lot of people have been thinking productively on this subject. France encourages a four-day week, Volkswagen has a 29-hour week already and the German economics minister, Günter Rexrodt, suggested doubling the annual holiday to three months. What we are aiming at, initially, is the 28-hour week, Europe-wide."

"And if things get worse?"

"Then the 20-hour week would come in. But actually we are doing something really interesting, path-breaking in fact, in this area already. We're putting some money into a new French film that incorporates job sharing. It's called *Le Monde est Ronde*."

Who's in it?

"Catherine Deneuve and Gérard Depardieu. At least they are for four days a week."

"And the other day?"

"We've got Josianne Bidochon out of retirement. She has not been in anything since 1962 and is actively seeking work. And then there is Pépé La Frite who is on a youth training scheme." I gasped at this idea. "It's quite absurd."

"You fail to understand anything at all. Work sharing can work at every level. Look at the England football team – you 'need' only 11 players. But in a period of four years England managed to give jobs to 60. That's the way ahead – it should be compulsory for everybody. To achieve a level playing field."

■ *James Morgan is economics correspondent of the BBC World Service.*